



ELIZABETH BUENROSTRO GINSBERG
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

August 06, 2024

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

113 August 6, 2024

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

Dear Supervisors:

**ISSUANCE AND SALE OF COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT
NO. 2021-01 (VALENCIA-FACILITIES) IMPROVEMENT AREA NO. 2
SPECIAL TAX BONDS, SERIES 2024
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

The Treasurer and Tax Collector (the "Treasurer") is requesting authorization to issue the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) Improvement Area No. 2 Special Tax Bonds, Series 2024 (the "2024 Bonds") on a tax-exempt basis with a not to exceed par amount of \$30 million to finance certain public improvements benefiting property within the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the "District").

IT IS RECOMMENDED THAT THE BOARD:

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

Adopt the Resolution authorizing: a) the issuance and sale of the 2024 Bonds on a tax-exempt basis in an aggregate principal amount not to exceed \$30 million to finance certain public improvements benefiting the property within the District; b) the execution and delivery of a Bond Purchase Agreement, Continuing Disclosure Certificate, Indenture, and other legal documents required to issue the 2024 Bonds; and c) the distribution of a Preliminary Official Statement and Final Official Statement in connection with the sale of the 2024 Bonds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the above recommended actions will authorize the issuance of the 2024 Bonds in an aggregate principal amount not to exceed \$30 million, and the execution and delivery of all necessary legal documents. The proceeds of the 2024 Bonds will be used to finance certain public improvements which benefit the property in the District. Debt service on the 2024 Bonds will be secured solely from special taxes of the District levied within Improvement Area No. 2 of the District (“Improvement Area No. 2”).

Improvement Area No. 2 is in an unincorporated portion of the County approximately 35 miles northwest of downtown Los Angeles, 15 miles north of the San Fernando Valley and adjacent to the City of Santa Clarita. Improvement Area No. 2 lies 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 proposed plan for the Valencia Project consists of approximately 21,500 homesites, approximately 11.5 million square feet of commercial space, approximately 50 miles of trails, approximately 275 acres of community parks and approximately 10,000 acres of protected open space.

The Newhall Land and Farming Company (A California Limited Partnership) is the master developer of the Valencia Project and has conveyed all the property within Improvement Area No. 2 planned for residential development to four different merchant builders or their land banking entities, as applicable. Improvement Area No. 2 consists of 65 gross acres that is planned to be developed for a total of 834 residential units. The property owned by the merchant builders is in various stages of development, ranging from finished lots to completed homes.

Implementation of Strategic Plan Goals

This action supports the County North Star 1: Make investments that transform lives; Focus Area Goal – Housing and Homelessness, Strategy – Homeownership.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County. Debt service on the 2024 Bonds will be paid from the special tax which has been authorized to be levied within Improvement Area No. 2. A portion of the annual special tax levy within Improvement Area No. 2 will be used to fund costs of the County to administer the District.

Based on current market conditions, the County expects to issue the 2024 Bonds with a par amount of approximately \$27 million. The proceeds are expected to finance certain public improvements needed with respect to the development of property located within the District, fund a reserve account for the 2024 Bonds, and pay the costs of issuance. The Resolution for the 2024 Bonds limits the principal amount to a maximum of \$30 million and the true interest cost to a maximum of 6.00%. The current true interest cost is estimated to be approximately 4.85%. The final maturity of the 2024 Bonds will be on September 1, 2054. The actual interest cost from the sale of the 2024 Bonds will depend on market conditions at the time of sale.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The 2024 Bonds will be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as

amended (commencing with Section 53311 of the California Government Code), the Resolution adopted by the Board of Supervisors acting as the legislative body of the District, and a Bond Indenture, by and between the District and U.S. Bank Trust Company, National Association, as trustee.

The 2024 Bonds will be secured by annual special taxes levied on taxable property within Improvement Area No. 2 of the District. Pursuant to the rate and method of apportionment of the special tax for Improvement Area No. 2, the annual special taxes on each parcel of developed property range from \$1,289.06 to \$4,474.76 per residential unit, depending on the unit type (e.g. attached or detached property) and unit square footage. The maximum annual special tax rates escalate at 2.0% per fiscal year, commencing on July 1, 2025.

The Treasurer is recommending that the sale of the Bonds be conducted on a negotiated basis. Stifel, Nicolaus & Company, Incorporated will be the underwriter, with Fieldman, Rolapp & Associates, Inc., as municipal advisor. Stradling Yocca Carlson & Rauth, a Professional Corporation will serve as Bond Counsel and Disclosure Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The issuance and sale of the 2024 Bonds will help provide cost-effective financing for public facilities and improvements, which will serve to enhance and facilitate the delivery of vital government services.

CONCLUSION

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

The Honorable Board of Supervisors

8/6/2024

Page 4

Respectfully submitted,

A handwritten signature in cursive script that reads "Elizabeth B. Ginsberg".

ELIZABETH BUENROSTRO GINSBERG

Treasurer and Tax Collector

EBG: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, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) AUTHORIZING THE ISSUANCE OF ITS IMPROVEMENT AREA NO. 2 SPECIAL TAX BONDS, SERIES 2024 IN A PRINCIPAL AMOUNT NOT TO EXCEED THIRTY MILLION DOLLARS (\$30,000,000) AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Board of Supervisors (the “Board of Supervisors”) of the County of Los Angeles (the “County”), has heretofore undertaken proceedings to establish County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “District”) and designate territory proposed for annexation to the District in the future as one or more future improvement areas, subject to the receipt of the unanimous consent and approval of the owner or owners of the parcel or parcels at the time of annexation and approval by the Board of Supervisors, acting as the legislative body of the District (“Legislative Body”) in accordance with the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”); and

WHEREAS, pursuant to a resolution adopted by the Legislative Body on April 5, 2022, the Legislative Body accepted the unanimous consents and approvals of the property owners to annex property to the District as Improvement Area No. 2, which unanimous consents and approvals authorized the issuance of bonds for Improvement Area No. 2; and

WHEREAS, the Legislative Body desires to issue a first series of bonds for Improvement Area No. 2 at this time under the Act to finance certain public facilities which the District is authorized to finance (the “Facilities”); and

WHEREAS, the District desires to finance certain Facilities through the issuance of bonds in an aggregate principal amount not to exceed \$30,000,000 designated as the “County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024” (the “Bonds”); and

WHEREAS, in order to effect the issuance of the Bonds, the District desires to enter into various agreements and approve certain documents in substantially the forms presented herein; and

WHEREAS, based on the appraisal of real property prepared by Integra Realty Resources (the “Appraisal”) of property within Improvement Area No. 2, the value of the real property in Improvement Area No. 2 subject to the special tax to pay debt service on the Bonds is more than three times the sum of the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within Improvement Area No. 2 as calculated in the manner set forth in Section 53345.8(a) of the Act; and

WHEREAS, the Legislative Body has determined in accordance with Section 53360.4 of the Act that a negotiated sale of the Bonds to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) in accordance with the terms of the Bond Purchase Agreement for the Bonds to be entered into by the District and the Underwriter (the “Bond Purchase Agreement”) approved as to

form by this Board of Supervisors herein will result in a lower overall cost to the District than a public sale; and

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

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

SECTION 2. The issuance of the Bonds is hereby authorized in an aggregate principal amount not to exceed \$30,000,000, with the exact principal amount to be determined by the official signing the Bond Purchase Agreement in accordance with Section 5 below. The Board of Supervisors hereby determines that it is prudent in the management of the District's fiscal affairs to issue the Bonds. The Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 5 hereof. All other provisions of the Bonds shall be governed by the terms and conditions of the Bond Indenture (the "Indenture"), which Indenture is hereby approved in substantially the form presented at this meeting, with such additions thereto and changes therein (including, but not limited to, changes in the amount to be maintained in the Reserve Account (as defined in the Indenture)) as the officer or officers executing the same deem necessary to enhance the security for the Bonds, to cure any ambiguity or defect therein, to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions as limited by Section 5 hereof or to conform any provisions therein to the Bond Purchase Agreement or the Official Statement delivered to the Underwriter. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Indenture by one of the following: the Chair of the Board of Supervisors, the Treasurer and Tax Collector of the County or deputy or assistant thereof, and such other officers of the County as the Treasurer and Tax Collector of the County may designate, or their written designees (each, an "Authorized Officer" and collectively, the "Authorized Officers"), each of whom is authorized to execute the Indenture. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Indenture.

SECTION 3. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Chair of the Board of Supervisors of the County or his or her written designee and be attested by the manual or facsimile signature of the Executive Officer-Clerk or any deputy appointed Deputy Clerk . U.S. Bank Trust Company, National Association is hereby appointed to act as trustee, registrar and transfer agent for the Bonds.

SECTION 4. The covenants set forth in the Indenture to be executed in accordance with Section 2 above are hereby approved, shall be deemed to be covenants of the Board of Supervisors and shall be complied with by the District and its officers. The Indenture shall constitute a contract between the District and the Owners of the Bonds.

SECTION 5. The form of the Bond Purchase Agreement presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement, with such additions thereto and changes therein relating to dates and numbers as are necessary to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the Bonds as of the sale date. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement by such

Authorized Officers; provided, however, that the Bond Purchase Agreement shall be signed only if the Underwriter's discount does not exceed 1.0% of the principal amount of the Bonds and only if the true interest cost on the Bonds does not exceed 6.0%. Each of the Authorized Officers is authorized to determine the day on which the Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

SECTION 6. The form of the Continuing Disclosure Certificate presented at this meeting is hereby approved and each of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Certificate in the form hereby approved, with such additions therein and changes thereto as the officer or officers executing the same deem necessary to cure any defect or ambiguity therein, with such approval to be conclusively evidenced by the execution and delivery of such certificate.

SECTION 7. The form of the Preliminary Official Statement presented at this meeting is hereby approved and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by the Authorized Officers to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission. Each of the Authorized Officers is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Authorized Officers, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers of the Bonds upon the execution of the final Official Statement as described above.

SECTION 8. In accordance with the requirements of Section 53345.8 of the Act, based on the Appraisal, the legislative body of the District hereby determines that the value of the real property in Improvement Area No. 2 subject to the special tax to pay debt service on the Bonds is more than three times the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within Improvement Area No. 2, all as calculated in the manner provided in Section 53345.8(a) of the Act.

SECTION 9. Each Authorized Officer is authorized to provide for all services necessary to effect the issuance of the Bonds. Such services shall include, but not be limited to, printing the Bonds, obtaining legal services, trustee and paying agent services, and any other services deemed appropriate as set forth in a certificate of such Authorized Officer. Each Authorized Officer is authorized to pay for the cost of such services, together with other costs of issuance, from Bond proceeds deposited pursuant to the Indenture.

SECTION 10. The Authorized Officers, the Executive Officer-Clerk and the other officers and staff of the County and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Bonds as described in the Indenture, including, in the discretion of any of the Authorized Officers, the execution and delivery of a letter of credit or cash depository agreement with respect to the special taxes to be levied on property owned by developers within the District, and providing certificates to the Underwriter as to

the accuracy of any information relating to the District which is included within the Official Statement. Any document authorized herein to be signed by the Executive Officer-Clerk may be signed by a duly appointed deputy clerk.

SECTION 11. The Board of Supervisors acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

SECTION 12. This Resolution shall be effective upon its adoption.

The foregoing resolution was adopted on the 6th day of August, 2024, 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.



EDWARD YEN, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: 
DEPUTY

APPROVED AS TO FORM:

DAWYN HARRISON
County Counsel

By: 
Senior Deputy County Counsel

BOND INDENTURE

Between

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

and

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

Relating to

**\$ _____
COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

Dated as of September 1, 2024

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BOND INDENTURE

THIS BOND INDENTURE dated as of September 1, 2024, by and between COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) (the “District”) and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (the “Trustee”), governs the terms of the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024 and any Parity Bonds issued in accordance herewith from time to time.

RECITALS :

A. The Board of Supervisors of the County of Los Angeles, California (the “Board of Supervisors”), has undertaken proceedings and declared the necessity to issue bonds on behalf of the District for the Improvement Area (as defined herein) pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the “Act”).

B. Based upon resolutions adopted by the Board of Supervisors on March 9, 2021 and April 5, 2022, and the unanimous consents and approvals of the property owners authorizing the levy of a special tax and the issuance of bonds, the District is authorized to issue bonds for the Improvement Area in one or more series pursuant to the Act, in an aggregate principal amount not to exceed \$47,500,000.

C. The District intends to finance various Project Costs (as defined herein) through the first issuance of bonds in an aggregate principal amount of \$ _____ designated as the “County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024” (the “Bonds”); and

D. The District has determined that all requirements of the Act for the issuance of the Bonds have been satisfied.

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Owners of the Bonds and any Parity Bonds (as defined herein) which may be issued hereunder from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

Account. The term “Account” means any account created pursuant to this Indenture.

Act. The term “Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 *et seq.* of the California Government Code.

Acquisition Agreement. The term “Acquisition Agreement” means that certain Acquisition, Funding and Disclosure Agreement, dated as of June 1, 2022, by and between the County and the Developer, as amended from time to time.

Acquisition and Construction Fund. The term “Acquisition and Construction Fund” means the fund by that name established pursuant to Section 3.1 hereof.

Administrative Expense Account. The term “Administrative Expense Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Administrative Expenses. The term “Administrative Expenses” means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys’ fees and other costs related thereto, the fees and expenses of the Trustee, any fees and related costs for credit enhancement for the Bonds or any Parity Bonds which are not otherwise paid as Costs of Issuance, any costs related to the District’s compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds, any Parity Bonds and the District, and any other costs otherwise incurred by County staff on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District hereunder.

Administrative Expenses Cap. The term “Administrative Expenses Cap” means [\$76,500], which amount shall escalate at 2.00% per Fiscal Year, commencing July 1, 2025.

Alternate Penalty Account. The term “Alternate Penalty Account” means the account by that name created and established in the Rebate Fund pursuant to Section 3.1 hereof.

Annual Debt Service. The term “Annual Debt Service” means the principal amount of any Outstanding Bonds or Parity Bonds payable in a Bond Year either at maturity or pursuant to a Sinking Fund Payment and any interest payable on any Outstanding Bonds or Parity Bonds in such Bond Year, if the Bonds and any Parity Bonds are retired as scheduled.

Authorized Investments. The term “Authorized Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(1) For all purposes, including defeasance investments in refunding escrow accounts:

(a) cash; or

(b) obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S., including U.S. treasury obligations, all direct or fully guaranteed obligations, Farmers Home Administration, General Services Administration, guaranteed Title XI financing, Government National Mortgage Association (GNMA) and State and Local Government Series; or

(c) obligations of government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Mortgage Corporation (FHLMC) debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives), Federal Home Loan Banks (FHL Banks), Federal National Mortgage Association (FNMA) debt obligations, Financing Corp. (FICO) debt obligations, Resolution Funding

Corp. (REFCORP) debt obligations and U.S. Agency for International Development (U.S.A.I.D.) guaranteed notes.

(2) For all purposes other than defeasance investments in refunding escrow accounts:

(a) obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America: Export-Import Bank, Rural Economic Community Development Administration, U.S. Maritime Administration, Small Business Administration, U.S. Department of Housing & Urban Development (PHAs), Federal Housing Administration and Federal Financing Bank;

(b) direct obligations of any of the following federal agencies, which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), obligations of the Resolution Funding Corporation (REFCORP) and senior debt obligations of the Federal Home Loan Bank System;

(c) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks (including those of the Trustee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(d) commercial paper which is rated at the time of purchase in the single highest classification "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

(e) investments in a money market fund rated "AAm," "AAm-G" or better by S&P, including funds for which the Trustee or its affiliates provide investment advisory or other management services;

(f) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America, or any agency, instrumentality or local governmental unit of any such state, which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and

(i) which are rated, based on irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or

(ii) (1) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1)(b) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and (2) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(g) municipal obligations rated “Aaa/AAA” or general obligations of states with a rating of at least “Aa2/AA” or higher by both Moody’s and S&P;

(h) Investment Agreements (supported by appropriate opinions of counsel);

(i) the Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name; and

(j) the County of Los Angeles Treasury Pool.

The value of the above investments shall be determined as follows:

(a) for the purpose of determining the amount in any fund, all Authorized Investments credited to such fund shall be valued at market value. The Trustee shall determine the market value based on accepted industry standards, including the Trustee’s internal systems, and from accepted industry providers. Accepted industry providers shall include, but are not limited to, pricing services provided by Financial Times Interactive Data Corporation, Bank of America Merrill Lynch or Salomon Smith Barney. Notwithstanding anything to the contrary herein, in making any valuation of investments hereunder, the Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system, and rely thereon;

(b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest thereon; and

(c) as to any investment not specified above: the value thereof established by prior agreement between the County and the Trustee.

Authorized Representative of the District. The term “Authorized Representative of the District” means the Chair of the Board of Supervisors, the Treasurer and Tax Collector or deputy or assistant thereof, and any other officer or employee of the County as the Treasurer and Tax Collector of the County may designate or by an Authorized Representative of the District to undertake the action referenced in this Indenture as required to be undertaken by an Authorized Representative of the District.

Board of Supervisors. The term “Board of Supervisors” means the Board of Supervisors of the County.

Bond Counsel. The term “Bond Counsel” means Stradling Yocca Carlson & Rauth LLP, or another attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

Bond Register. The term “Bond Register” means the books which the Trustee shall keep or cause to be kept on which the registration and transfer of the Bonds and any Parity Bonds shall be recorded.

Bonds. The term “Bonds” means the District’s (Improvement Area No. 2) Special Tax Bonds, Series 2024 issued on September __, 2024 in the aggregate principal amount of \$_____.

Bond Year. The term “Bond Year” means the twelve month period commencing on September 2 of each year and ending on September 1 of the following year, except that the first Bond Year for the Bonds or an issue of Parity Bonds shall begin on the Delivery Date and end on the first September 1 which is not more than 12 months after the Delivery Date.

Business Day. The term “Business Day” means a day which is not a Saturday or Sunday or a day of the year on which banks in New York, New York, Los Angeles, California, or the city where the corporate trust office of the Trustee is located, are not required or authorized by law, regulation or executive order, to close or to remain closed.

Certificate of an Authorized Representative. The term “Certificate of an Authorized Representative” means a written certificate or warrant request executed by an Authorized Representative of the District.

Code. The term “Code” means the Internal Revenue Code of 1986, as amended, and any Regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

Continuing Disclosure Certificate. The term “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate dated as of September 1, 2024, as originally executed by the District and as it may be from time to time amended or supplemented in accordance with its terms.

Costs of Issuance. The term “Costs of Issuance” means the costs and expenses incurred in connection with the formation of the District and the issuance and sale of the Bonds or any Parity Bonds, including the acceptance and initial annual fees and expenses of the Trustee and its counsel, legal fees and expenses, costs of printing the Bonds and Parity Bonds and the preliminary and final official statements for the Bonds and Parity Bonds, fees of financial consultants, costs of the appraisal and all other related fees and expenses, including reimbursement to property owners within the District for design, engineering and legal costs, as set forth in a Certificate of an Authorized Representative of the District.

Costs of Issuance Account. The term “Costs of Issuance Account” means the account by that name created and established in the Acquisition and Construction Fund pursuant to Section 3.1 hereof.

County. The term “County” means the County of Los Angeles, State of California.

County Facilities Account. The term “County Facilities Account” means the account by that name created and established in the Acquisition and Construction Fund pursuant to Section 3.1 hereof.

Delivery Date. The term “Delivery Date” means, with respect to the Bonds and each issue of Parity Bonds, the date on which the bonds of such issue were issued and delivered to the initial purchasers thereof.

Depository. The term “Depository” means The Depository Trust Company, New York, New York, and its successors and assigns as securities depository for the Bonds, or any other securities depository acting as Depository under Article II hereof.

Developer. The term “Developer” means The Newhall Land and Farming Company (A California Limited Partnership).

Direct Debt for Improvement Area Property. The term “Direct Debt for Improvement Area Property” means that portion of the aggregate principal amount of the Outstanding Bonds and Parity Bonds which is allocable to the property in the Improvement Area.

District. The term “District” means County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) established pursuant to the Act and resolutions adopted by the Board of Supervisors of the County on March 9, 2021 and April 5, 2022.

Event of Default. The term “Event of Default” means an event described in Section 8.1 hereof.

Flood Control Facilities Account. The term “Flood Control Facilities Account” means the account by that name created and established in the Acquisition and Construction Fund pursuant to Section 3.1 hereof.

Fiscal Year. The term “Fiscal Year” means the period beginning on July 1 of each year and ending on the next following June 30.

Gross Taxes. The term “Gross Taxes” means the amount of all Special Taxes received by the District together with the proceeds collected from the sale of property pursuant to foreclosure for the delinquency of such Special Taxes remaining after the payment of all costs related to such foreclosure actions.

Improvement Area. The term “Improvement Area” means Improvement Area No. 2 of the District designated pursuant to the Act and the Resolution of Formation.

Indenture. The term “Indenture” means this Bond Indenture, together with any Supplemental Indenture approved pursuant to Article VI hereof.

Independent Financial Consultant. The term “Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the District, who, or each of whom: (1) is in fact independent and not under the domination of the District or the County; (2) does not have any substantial interest, direct or indirect, in the District or the County; and (3) is not connected with the District or the County as a member, officer or employee of the District or the County, but who may be regularly retained to make annual or other reports to the District or the County.

Interest Account. The term “Interest Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Interest Payment Date. The term “Interest Payment Date” means March 1, 2025 and each March 1 and September 1 thereafter; provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date will be paid on the Business Day next succeeding such date.

Investment Agreement. The term “Investment Agreement” means one or more agreements for the investment of funds of the District complying with the criteria therefor as set forth in subsection (2)(h) of the definition of Authorized Investments herein.

Maximum Annual Debt Service. The term “Maximum Annual Debt Service” means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds and any Parity Bonds by adding the following for each Bond Year: (1) the principal amount of all Outstanding Bonds and Parity Bonds payable in such Bond Year either at maturity or pursuant to a Sinking Fund Payment; and (2) the interest payable on the aggregate principal amount of all Bonds and Parity Bonds Outstanding in such Bond Year if the Bonds and Parity Bonds are retired as scheduled.

Moody’s. The term “Moody’s” means Moody’s Investors Service, Inc., its successors and assigns.

Net Taxes. The term “Net Taxes” means Gross Taxes minus amounts set aside to pay Administrative Expenses.

Nominee. The term “Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.16 hereof.

Ordinance. The term “Ordinance” means the Ordinance No. 2021-0015, adopted by the Board of Supervisors on March 23, 2021, providing for the levying of the Special Tax.

Outstanding. The terms “Outstanding” or “Outstanding Bonds and Parity Bonds” means all Bonds and Parity Bonds theretofore issued by the District, except: (i) Bonds and Parity Bonds theretofore cancelled or surrendered for cancellation in accordance with Section 10.1 hereof; (ii) Bonds and Parity Bonds for payment or redemption of which monies shall have been theretofore deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds or Parity Bonds), provided that, if such Bonds or Parity Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Indenture or any applicable Supplemental Indenture for Parity Bonds; and (iii) Bonds and Parity Bonds which have been surrendered to the Trustee for transfer or exchange pursuant to Section 2.9 hereof or for which a replacement has been issued pursuant to Section 2.10 hereof.

Overlapping Debt. The term “Overlapping Debt” means with respect to any property within the Improvement Area, the sum of (a) the aggregate amount of all unpaid assessments which are a lien on such property and which are pledged to secure the repayment of bonds, plus (b) a portion of the principal amount of any outstanding bonds of other community facilities districts which are payable at least partially from special taxes to be levied on such property (the “Other CFD Bonds”) determined by multiplying the aggregate principal amount of the Other CFD Bonds by a fraction, the numerator of which is the amount of special taxes levied for the Other CFD Bonds on such property and the denominator of which is the total amount of special taxes levied for the Other CFD Bonds on all parcels of property which are subject to the levy of such special taxes, based upon information which is available for the then current Fiscal Year.

Owner. The term “Owner” means the person or persons in whose name or names any Bond or Parity Bond is registered.

Parity Bonds. The term “Parity Bonds” means all bonds, notes or other similar evidences of indebtedness hereafter issued, payable out of the Net Taxes and which, as provided in this Indenture or any Supplemental Indenture, rank on a parity with the Bonds.

Participants. The term “Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds or Parity Bonds as securities depository.

Person. The term “Person” means natural persons, firms, corporations, partnerships, associations, trusts, public bodies and other entities.

Prepayments. The term “Prepayments” means any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the Improvement Area made in accordance with the RMA.

Principal Account. The term “Principal Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Principal Office of the Trustee. The term “Principal Office of the Trustee” means the office of the Trustee located in Los Angeles, California, or such other office or offices as the Trustee may designate from time to time, or the office of any successor Trustee where it principally conducts its business of serving as trustee under indentures pursuant to which municipal or governmental obligations are issued.

Project. The term “Project” means those public facilities described in the Resolution of Formation which are to be acquired or constructed within and outside of the District, including all engineering, planning and design services and other incidental expenses related to such facilities and other facilities, if any, authorized by the qualified electors within the District from time to time.

Project Costs. The term “Project Costs” means the amounts necessary to finance the Project, to create and replenish any necessary reserve funds, to pay the initial and annual costs associated with the Bonds or any Parity Bonds, including, but not limited to, remarketing, credit enhancement, Trustee and other fees and expenses relating to the issuance of the Bonds or any Parity Bonds and the formation of the District, and to pay any other “incidental expenses” of the District, as such term is defined in the Act.

Rating Agency. The term “Rating Agency” means Moody’s or S&P, or both, as the context requires.

Rebate Account. The term “Rebate Account” means the account by that name created and established in the Rebate Fund pursuant to Section 3.1 hereof.

Rebate Fund. The term “Rebate Fund” means the fund by that name established pursuant to Section 3.1 hereof in which there are established the Accounts described in Section 3.1 hereof.

Rebate Regulations. The term “Rebate Regulations” means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

Record Date. The term “Record Date” means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

Redemption Account. The term “Redemption Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Regulations. The term “Regulations” means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

Representation Letter. The term “Representation Letter” means the Blanket Letter of Representations from the District to the Depository as described in Section 2.13 hereof.

Reserve Account. The term “Reserve Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

Reserve Policy means a letter of credit, insurance policy, surety bond or other such funding instrument issued by a municipal bond insurance company rated least “Aa2” or higher by Moody’s or “AA” or higher by S&P, delivered to the Trustee for the purpose of providing all or a portion of the Reserve Requirement for Bonds and Parity Bonds.

Reserve Requirement. The term “Reserve Requirement” means that amount as of any date of calculation equal to the lesser of: (i) 10% of the initial principal amount of the Bonds and Parity Bonds, if any; (ii) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds; provided, however, that the Reserve Requirement shall not exceed \$_____ except in connection with the issuance of Parity Bonds.

Resolution of Formation. The term “Resolution of Formation” means the resolutions adopted by the Board of Supervisors on March 9, 2021 and on April 5, 2022, pursuant to which the Board of Supervisors established the District and annexed the property in the Improvement Area to the District.

RMA. The term “RMA” means the Rate and Method of Apportionment of Special Tax for the Improvement Area approved by the property owners within the Improvement Area, which approvals were accepted by the Board of Supervisors on April 5, 2022.

Sinking Fund Payment. The term “Sinking Fund Payment” means the annual payment to be deposited in the Redemption Account to redeem a portion of the Term Bonds in accordance with the schedules set forth in Section 4.1(b) hereof and any annual sinking fund payment schedule to retire any Parity Bonds which are designated as Term Bonds.

Six-Month Period. The term “Six-Month Period” means the period of time beginning on the Delivery Date of each issue of Bonds or Parity Bonds, as applicable, and ending six consecutive months thereafter, and each six-month period thereafter until the latest maturity date of the Bonds and the Parity Bonds (and any obligations that refund an issue of the Bonds or Parity Bonds).

Special Tax Administrator. The term “Special Tax Administrator” means the individual or entity appointed by the County to administer the calculation and collection of the Special Taxes.

Special Tax Fund. The term “Special Tax Fund” means the fund by that name created and established pursuant to Section 3.1 hereof.

Special Taxes. The term “Special Taxes” means the taxes authorized to be levied by the District on property within the Improvement Area in accordance with the Ordinance, the Resolution of Formation, the Act and the approval of the property owners in the Improvement Area which approvals were accepted by the Board of Supervisors on April 5, 2022, including any scheduled payments and any Prepayments thereof, the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and penalties and interest thereon; provided that any delinquent Special Tax sold to an independent third-party or to the County for 100% of the delinquent amount shall no longer be pledged hereunder to the payment of the Bonds or Parity Bonds.

S&P. The term “S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, its successors and assigns.

Subaccount. The term “Subaccount” means any subaccount created pursuant to this Indenture.

Supplemental Indenture. The term “Supplemental Indenture” means any supplemental indenture amending or supplementing this Indenture.

Surplus Fund. The term “Surplus Fund” means the fund by that name created and established pursuant to Section 3.1 hereof.

Tax Certificate. The term “Tax Certificate” means the certificate by that name to be executed by the District on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

Tax-Exempt. The term “Tax-Exempt” means, with reference to an Authorized Investment, an Authorized Investment the interest earnings on which are excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, other than one described in Section 57(a)(5)(C) of the Code.

Taxable Property. The term “Taxable Property” has the meaning ascribed to it in the RMA.

Term Bonds. The term “Term Bonds” means the Bonds maturing on September 1, 20__, and September 1, 20__ and any term maturities of an issue of Parity Bonds as specified in a Supplemental Indenture.

Trustee. The term “Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States, at its principal corporate trust office in Los Angeles, California, and its successors or assigns, or any other bank or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3, and any successor thereto.

Underwriter. The term “Underwriter” means, with respect to the Bonds, Stifel, Nicolaus & Company, Incorporated, and with respect to each issue of Parity Bonds, the institution or institutions, if any, with whom the District enters into a purchase contract for the sale of such issue.

Value of Improvement Area Property. The term “Value of Improvement Area Property” means for all parcels of property in the Improvement Area which are subject to the levy of the Special Taxes and not delinquent in the payment of any Special Taxes then due and owing, either (i)

the fair market value, as of the date of the appraisal provided for below of such parcels, including with respect to such parcels the value of the then existing improvements thereon, as estimated by an appraiser, who shall be a State of California certified general real estate appraiser selected and employed by the District, in an appraisal performed within ninety (90) days preceding the date of such determination based upon a methodology of valuation consistent with the County's policy for appraisals, provided that a mass appraisal methodology may be applied when valuing Developed Property (as defined in the RMA); or (ii) the full cash value of any or all of such parcels, including with respect to such parcels the value of the improvements thereon, as set forth on the last equalized assessment roll of the County Assessor of the County of Los Angeles.

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1. Amount, Issuance, Purpose and Nature of Bonds and Parity Bonds.

Under and pursuant to the Act, the Bonds in the aggregate principal amount of \$_____, together with any Parity Bonds authorized by the Board of Supervisors in accordance with Section 9.2 hereof, shall be issued for the purposes of financing and/or refinancing the Project, paying Costs of Issuance and funding the Reserve Account; provided that the aggregate principal amount of the Bonds and any Parity Bonds shall not exceed the total indebtedness presently authorized or subsequently authorized by the qualified electors within the Improvement Area in accordance with the Act. The Bonds and any Parity Bonds shall be and are limited obligations of the District and shall be payable as to the principal thereof and interest thereon and any premiums upon the redemption thereof solely from the Net Taxes and the other amounts in the Special Tax Fund (other than amounts in the Administrative Expense Account of the Special Tax Fund).

Section 2.2. Type and Nature of Bonds and Parity Bonds. Neither the faith and credit nor the taxing power of the County, the State of California, or any political subdivision thereof other than the District is pledged to the payment of the Bonds or any Parity Bonds. Except for the Net Taxes, no other taxes are pledged to the payment of the Bonds or any Parity Bonds. The Bonds and any Parity Bonds are not general or special obligations of the County nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund (exclusive of the Administrative Expense Account), as more fully described herein. The District's limited obligation to pay the principal of, premium, if any, and interest on the Bonds and any Parity Bonds from amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds or any Parity Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the County or the forfeiture of any of their property. The principal of and interest on the Bonds and any Parity Bonds and premiums upon the redemption thereof, if any, are not a debt of the County, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds and any Parity Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) which are, under the terms of this Indenture and the Act, set aside for the payment of the Bonds, any Parity Bonds and interest thereon, and neither the members of the legislative body of the District or the members of the Board of Supervisors nor any persons executing the Bonds or any Parity Bonds are liable personally on the Bonds or any Parity Bonds, by reason of their issuance.

Notwithstanding anything to the contrary contained in this Indenture, the District shall not be required to advance any money derived from any source of income other than the Net Taxes for the payment of the interest on or the principal of the Bonds or any Parity Bonds, or for the performance of any covenants contained herein. The District may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Section 2.3. Equality of Bonds and Parity Bonds and Pledge of Net Taxes. Pursuant to the Act and this Indenture, the Bonds and any Parity Bonds shall be equally payable from and secured by a first pledge of and lien on the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account), without priority for number, date of the Bonds or Parity Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any Parity Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account) which are hereby set aside for the payment of the Bonds and any Parity Bonds; provided that any delinquent Special Tax sold to an independent third-party or to the County for 100% of the delinquent amount shall no longer be pledged hereunder to the payment of the Bonds or Parity Bonds. Amounts in the Special Tax Fund (other than the Administrative Expense Account therein) shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and any Parity Bonds and, so long as any of the Bonds and any Parity Bonds or interest thereon remain Outstanding, shall not be used for any other purpose, except as permitted by this Indenture or any Supplemental Indenture. Notwithstanding any provision contained in this Indenture to the contrary, Net Taxes deposited in the Rebate Fund and the Surplus Fund shall no longer be considered to be pledged to the Bonds or any Parity Bonds, and none of the Rebate Fund, the Surplus Fund, the Acquisition and Construction Fund (and its subaccounts) or the Administrative Expense Account of the Special Tax Fund shall be construed as a trust fund held for the benefit of the Owners.

Nothing in this Indenture or any Supplemental Indenture shall preclude: (i) subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds or Parity Bonds subject to call and redemption and payment of said Bonds or Parity Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California; or (ii) the issuance, subject to the limitations contained herein, of Parity Bonds which shall be payable from Net Taxes.

Section 2.4. Description of Bonds; Interest Rates. The Bonds and any Parity Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the Trustee.

The Bonds shall be designated “County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024.” The Bonds shall be dated as of their Delivery Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates set forth in the table below payable on March 1, 2025 and each Interest Payment Date thereafter:

<i>Maturity Date</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
<i>September 1</i>		

***Term Bond**

Interest shall be payable on each Bond and Parity Bond from the date established in accordance with Section 2.5 below on each Interest Payment Date thereafter until the principal sum of such Bond or Parity Bond has been paid; provided, however, that if at the maturity date of any Bond or Parity Bond (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof in full, in accordance with the terms of this Indenture, such Bonds and Parity Bonds shall then cease to bear interest. Interest due on the Bonds and Parity Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.5. Place and Form of Payment. The Bonds and Parity Bonds shall be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The principal of the Bonds and Parity Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee. If the Nominee of the Bonds or Parity Bonds is registered to Cede & Co., payment of principal and any premiums shall be made without presentment. Interest on any Bond or Parity Bond shall be payable from the Interest Payment Date next preceding the date of authentication of such Bond or Parity Bond, unless: (i) such date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication; (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond or Parity Bond, in which event interest shall be payable from the dated date of such Bond or Parity Bond, as applicable; provided, however, that if at the time of authentication of such Bond or Parity Bond, interest is in default, interest on such Bond or Parity Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on such Bond or Parity Bond, interest on such Bond or Parity Bond shall be payable from its dated date. Interest on any Bond or Parity Bond shall be paid to the person whose name shall appear in the Bond Register as the Owner of such Bond or Parity Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, to such Owner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or

before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds or of any issue of Parity Bonds, payment shall be made on the Interest Payment Date by wire transfer in immediately available funds to an account within the United States of America designated by such Owner.

Section 2.6. Form of Bonds and Parity Bonds. The definitive Bonds may be printed from steel engraved or lithographic plates or may be typewritten. The Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of such Bonds and of the certificate of authentication. Each issue of Parity Bonds and the certificate of authentication therefor shall be in the form provided in the Supplemental Indenture for such issue of Parity Bonds.

Until definitive Bonds or Parity Bonds, as applicable, shall be prepared, the District may cause to be executed and delivered in lieu of such definitive Bonds or Parity Bonds temporary bonds in typed, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds or Parity Bonds, except that they may be in any denominations authorized by the District. Until exchanged for definitive Bonds or Parity Bonds, as applicable, any temporary bond shall be entitled and subject to the same benefits and provisions of this Indenture as definitive Bonds and Parity Bonds. If the District issues temporary Bonds or Parity Bonds, it shall execute and furnish definitive Bonds or Parity Bonds, as applicable, without unnecessary delay and thereupon any temporary Bond or Parity Bond may be surrendered to the Trustee at its office, without expense to the Owner, in exchange for a definitive Bond or Parity Bond of the same issue, maturity, interest rate and principal amount in any authorized denomination. All temporary Bonds or Parity Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

Section 2.7. Execution and Authentication. The Bonds and Parity Bonds shall be signed on behalf of the District by the manual or facsimile signature of the Chair of the Board of Supervisors of the County and attested by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, or any duly appointed Deputy Clerk, in their capacity as officers of the District, and the seal of the County or the District (or a facsimile thereof) may be impressed, imprinted, engraved or otherwise reproduced thereon.. In case any one or more of the officers who shall have signed or sealed any of the Bonds or Parity Bonds shall cease to be such officer before the Bonds or Parity Bonds so signed and sealed have been authenticated and delivered by the Trustee (including new Bonds or Parity Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or Parity Bonds or lost, stolen, destroyed or mutilated Bonds or Parity Bonds), such Bonds and Parity Bonds shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds or Parity Bonds had not ceased to hold such office.

Only the Bonds as shall bear thereon such certificate of authentication in the form set forth in Exhibit A attached hereto shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 2.8. Bond Register. The Trustee will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bonds and any Parity Bonds which shall upon reasonable prior notice be open to inspection by the District during all regular business hours, and, subject to the limitations set forth in Section 2.9 below, upon presentation for such purpose, the

Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, Bonds and any Parity Bonds as herein provided.

The District and the Trustee may treat the Owner of any Bond or Parity Bond whose name appears on the Bond Register as the absolute Owner of that Bond or Parity Bond for any and all purposes and the District and the Trustee shall not be affected by any notice to the contrary. The District and the Trustee may rely on the address of the Owner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Owner to give written notice to the Trustee of any change in the Owner's address so that the Bond Register may be revised accordingly.

Section 2.9. Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond or Parity Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond or Parity Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Owner or his or her duly authorized attorney.

Bonds or Parity Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds or Parity Bonds for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the Owner any charge for any new Bond or Parity Bond issued upon any exchange or transfer, but shall require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds or Parity Bonds shall be surrendered for registration of transfer or exchange, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds or a new Parity Bond or Parity Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall not be required to register transfers or make exchanges of: (i) Bonds or Parity Bonds for a period of 15 days next preceding any selection of the Bonds or Parity Bonds to be redeemed; or (ii) any Bonds or Parity Bonds chosen for redemption.

Section 2.10. Mutilated, Lost, Destroyed or Stolen Bonds or Parity Bonds. If any Bond or Parity Bond shall become mutilated, the District shall execute, and the Trustee shall authenticate and deliver, a new Bond or Parity Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond or Parity Bond so mutilated, but only upon surrender to the Trustee of the Bond or Parity Bond so mutilated. Every mutilated Bond or Parity Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 10.1 hereof. If any Bond or Parity Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Parity Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond or Parity Bond so lost, destroyed or stolen. Any Bond or Parity Bond issued in lieu of any Bond or Parity Bond alleged to be mutilated, lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds and Parity Bonds issued hereunder. The Trustee shall not treat both the original Bond or Parity Bond and any replacement Bond or Parity Bond as being Outstanding for the purpose of determining the principal amount of Bonds or Parity Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds or Parity Bonds Outstanding hereunder, but both the original and replacement Bond or Parity Bond shall be treated as

one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond or Parity Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds or Parity Bonds.

Section 2.11. Validity of Bonds and Parity Bonds. The validity of the authorization and issuance of the Bonds and any Parity Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the financing of the Project, or by the invalidity, in whole or in part, of any contracts made by the District in connection therewith, and shall not be dependent upon the completion of the financing of the Project or upon the performance by any Person of his obligation with respect to the Project, and the recital contained in the Bonds or any Parity Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 2.12. Book-Entry System. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.14 hereof, all of the Outstanding Bonds shall be registered in the registration books kept by the Trustee in the name of the Nominee. At the election of the District, any Parity Bonds may also be issued as book-entry bonds registered in the name of the Nominee as provided herein, in which case the references in Sections 2.12 through 2.15 to “Bonds” shall be applicable to such Parity Bonds.

With respect to Bonds registered in the registration books kept by the Trustee in the name of the Nominee, the District and the Trustee shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event that the Bonds are redeemed in part; or (iv) the payment to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest due with respect to the Bonds. The District and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of the principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest due on the Bonds only to or upon the order of the respective Owner, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the District’s obligations with respect to payment of the principal, premium, if any, and interest due on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee,

and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

Section 2.13. Representation Letter. In order to qualify the Bonds and any Parity Bonds which the District elects to register in the name of the Nominee for the Depository's book-entry system, an Authorized Representative of the District is hereby authorized to execute from time to time and deliver to such Depository the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.12 or in any other way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Trustee. The District agrees to take all action necessary to continuously comply with all representations made by it in the Representation Letter. In addition to the execution and delivery of the Representation Letter, the Authorized Representatives of the District are hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

Section 2.14. Transfers Outside Book-Entry System. In the event that: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the District determines that the Depository shall no longer so act, then the District will discontinue the book-entry system with the Depository. If the District fails to identify another qualified securities depository to replace the Depository then the Bonds so designated shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of the Nominee, but shall be registered in whatever name or names Persons transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.9 hereof.

Section 2.15. Payments to the Nominee. Notwithstanding any other provisions of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

Section 2.16. Initial Depository and Nominee. The initial Depository under this Indenture shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Section 3.1. Creation of Funds; Application of Proceeds.

(a) There are hereby created and established and shall be maintained by the Trustee the following funds and accounts:

(1) The County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Fund (the "Special Tax Fund") (in which there shall be established and created an Interest Account, a Principal Account, a Redemption Account, a Reserve Account, and an Administrative Expense Account).

(2) The County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Rebate Fund (the “Rebate Fund”) (in which there shall be established a Rebate Account and an Alternate Penalty Account).

(3) The County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Acquisition and Construction Fund (the “Acquisition and Construction Fund”) (in which there shall be established a County Facilities Account, a Flood Control Facilities Account, and a Costs of Issuance Account).

(4) The County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Surplus Fund (the “Surplus Fund”).

The amounts on deposit in the foregoing funds, accounts and subaccounts shall be held by the Trustee. The Trustee shall invest and disburse the amounts in such funds, accounts and subaccounts in accordance with the provisions of this Article III and shall disburse investment earnings thereon in accordance with the provisions of Section 3.10 hereof.

In connection with the issuance of any Parity Bonds as described in Section 9.2, the Trustee, at the direction of an Authorized Representative of the District, may create new funds, accounts or subaccounts, or may create additional accounts and subaccounts within any of the foregoing funds and accounts for the purpose of separately accounting for the proceeds of the Bonds and any Parity Bonds.

(b) The proceeds of the sale of the Bonds shall be received by the Trustee on behalf of the District and deposited and transferred as follows:

(1) \$ _____ shall be transferred to the Reserve Account of the Special Tax Fund to fund the Reserve Requirement as of the Delivery Date of the Bonds;

(2) \$ _____ shall be transferred to the Interest Account of the Special Tax Fund;
and

(3) \$ _____ shall be transferred to the Acquisition and Construction Fund of which \$ _____ shall be deposited in the County Facilities Account, \$ _____ shall be deposited in the Flood Control Facilities Account, and \$ _____ shall be deposited in the Costs of Issuance Account.

The Trustee may, in its discretion, establish temporary funds or accounts in its books and records to facilitate such transfers.

Section 3.2. Deposits to and Disbursements from Special Tax Fund.

(a) Except for Prepayments, which shall be deposited to the Redemption Account of the Special Tax Fund, the Trustee shall, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund to be held in trust for the Owners. The Trustee shall transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

(1) the Administrative Expense Account of the Special Tax Fund up to the Administrative Expenses Cap;

- (2) the Interest Account of the Special Tax Fund;
- (3) the Principal Account of the Special Tax Fund;
- (4) the Redemption Account of the Special Tax Fund;
- (5) the Reserve Account of the Special Tax Fund;
- (6) the Administrative Expense Account of the Special Tax Fund to the extent that Administrative Expenses exceed or are expected to exceed the Administrative Expense Cap;
- (7) the Rebate Fund; and
- (8) the Surplus Fund.

(b) At maturity of all of the Bonds and Parity Bonds and, after all principal and interest then due on the Bonds and Parity Bonds then Outstanding have been paid or provided for and any amounts owed to the Trustee have been paid in full, moneys in the Special Tax Fund and any accounts therein may be used by the District for any lawful purpose.

Section 3.3. Administrative Expense Account of the Special Tax Fund. The Trustee shall transfer from the Special Tax Fund and deposit in the Administrative Expense Account of the Special Tax Fund from time to time amounts necessary to make timely payment of Administrative Expenses as set forth in a Certificate of an Authorized Representative of the District; provided, however, that, except as set forth in the following sentence, the total amount transferred with respect to a Bond Year shall not exceed the Administrative Expenses Cap until such time as there has been deposited to the Interest Account and the Principal Account an amount, together with any amounts already on deposit therein, that is sufficient to pay the interest and principal on all Bonds and Parity Bonds due in such Bond Year and to restore the Reserve Account to the Reserve Requirement. Notwithstanding the foregoing, amounts in excess of the Administrative Expenses Cap may be transferred to the Administrative Expense Account to the extent necessary to collect delinquent Special Taxes. Moneys in the Administrative Expense Account of the Special Tax Fund may be invested in any Authorized Investments as directed in writing by an Authorized Representative of the District and shall be disbursed as directed in a Certificate of an Authorized Representative.

Section 3.4. Interest Account and Principal Account of the Special Tax Fund. The principal of and interest due on the Bonds and any Parity Bonds until maturity, other than principal due upon redemption, shall be paid by the Trustee from the Principal Account and the Interest Account of the Special Tax Fund, respectively.

For the purpose of assuring that the payment of principal of and interest on the Bonds and any Parity Bonds will be made when due, after making the transfer required by Section 3.3, at least one Business Day prior to each March 1 and September 1, the Trustee shall make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of an issue of the Bonds or any Parity Bonds, or otherwise, the transfer from the Special Tax Fund need not be made; and provided, further, that, if amounts in the Special Tax Fund (exclusive of the Reserve Account and the Administrative Expense

Account) are inadequate to make the foregoing transfers, then any deficiency shall be made up by transfers from the Reserve Account:

(a) To the Interest Account, an amount such that the balance in the Interest Account one Business Day prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds and any Parity Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account shall be used for the payment of interest on the Bonds and any Parity Bonds as the same become due.

(b) To the Principal Account, an amount such that the balance in the Principal Account one Business Day prior to September 1 of each year, commencing September 1, 2025, shall equal the principal payment due on the Bonds and any Parity Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal of such Bonds and any Parity Bonds as the same become due at maturity.

Section 3.5. Redemption Account of the Special Tax Fund.

(a) With respect to each September 1 on which a Sinking Fund Payment is due, after the deposits have been made to the Administrative Expense Account, the Interest Account and the Principal Account of the Special Tax Fund as required by Sections 3.3 and 3.4 hereof, the Trustee shall next transfer into the Redemption Account of the Special Tax Fund from the Special Tax Fund the amount needed to make the balance in the Redemption Account one Business Day prior to each September 1 on which a Sinking Fund Payment is due equal to the Sinking Fund Payment due on any Outstanding Bonds and Parity Bonds on such September 1; provided, however, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency shall be made up by an immediate transfer from the Reserve Account, if funded, pursuant to Section 3.6 below. Moneys so deposited in the Redemption Account shall be used and applied by the Trustee to call and redeem Term Bonds in accordance with the Sinking Fund Payment schedules set forth in Section 4.1(b) hereof, and to redeem Parity Bonds in accordance with any Sinking Fund Payment schedule in the Supplemental Indenture for such Parity Bonds.

(b) After making the deposits to the Administrative Expense Account, the Interest Account and the Principal Account of the Special Tax Fund pursuant to Sections 3.3 and 3.4 above and to the Redemption Account for Sinking Fund Payments then due pursuant to subparagraph (a) of this Section, and in accordance with the District's election to call Bonds for optional redemption as set forth in Section 4.1(a) hereof, or to call Parity Bonds for optional redemption as set forth in any Supplemental Indenture for Parity Bonds, the Trustee shall transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the principal and the premiums, if any, payable on the Bonds or Parity Bonds called for optional redemption; provided, however, that amounts in the Special Tax Fund (other than the Administrative Expense Account therein) may be applied to optionally redeem Bonds and Parity Bonds only if immediately following such redemption the amount in the Reserve Account will equal the Reserve Requirement.

(c) Prepayments deposited to the Redemption Account shall be applied on the redemption date established pursuant to Section 4.1(c) hereof to the payment of the principal of, premium, if any, and interest on the Bonds and Parity Bonds to be redeemed with such Prepayments.

(d) Moneys set aside in the Redemption Account shall be used solely for the purpose of redeeming Bonds and Parity Bonds and shall be applied on or after the redemption date to the payment of principal of and premium, if any, on the Bonds or Parity Bonds to be redeemed upon presentation and surrender of such Bonds or Parity Bonds, and, in the case of an optional redemption or a special mandatory redemption from Prepayments, to pay the interest thereon; provided, however, that in lieu or partially in lieu of such call and redemption, moneys deposited in the Redemption Account may be used to purchase Outstanding Bonds or Parity Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds or Parity Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, plus, in the case of moneys set aside for an optional redemption or a special mandatory redemption, the premium applicable at the next following call date according to the premium schedule established pursuant to Section 4.1(a) or 4.1(c) hereof, as applicable, or in the case of Parity Bonds the premium established in any Supplemental Indenture. Any accrued interest payable upon the purchase of Bonds or Parity Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Section 3.6. Reserve Account of the Special Tax Fund. There shall be maintained in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement. The Reserve Requirement may be satisfied in whole or in part by cash, a Reserve Policy, or a combination thereof. The amounts in the Reserve Account shall be applied as follows:

(a) Moneys in the Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds and any Parity Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor or moneys in the Redemption Account of the Special Tax Fund are insufficient to make a Sinking Fund Payment when due and for the purpose of making any required transfer to the Rebate Fund pursuant to Section 3.7 hereof upon written direction from the District. If the amounts in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any Parity Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee shall withdraw from the Reserve Account, first from the cash on deposit therein, and second from a draw on the Reserve Policy, if any, for deposit in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes.

(b) Whenever moneys are withdrawn from the Reserve Account, after making the required transfers referred to in Sections 3.3, 3.4 and 3.5 above, the Trustee shall transfer to the Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds which the District elects to apply to such purpose, the amount needed to restore the amount of such Reserve Account to the Reserve Requirement by first, repaying any amounts due under the Reserve Policy, and second to fund the Reserve Account to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Account only if the Trustee determines that such amounts will not be needed to make the deposits required to be made to the Administrative Expense Account, the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund on or before the next September 1. If amounts in the Special Tax Fund together with any other amounts transferred to replenish the Reserve Account are inadequate to restore the Reserve Account to the Reserve Requirement, including any amounts necessary to pay costs related to the Reserve Policy, if any, then the District shall include the amount necessary to

restore the Reserve Account to the Reserve Requirement, in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates.

(c) In connection with a redemption of Bonds pursuant to Section 4.1(a) or 4.1(c) or Parity Bonds in accordance with any Supplemental Indenture, or a partial defeasance of Bonds or Parity Bonds in accordance with Section 9.1 hereof, amounts in the Reserve Account may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Account following such redemption or partial defeasance equals the Reserve Requirement. The District shall set forth in a Certificate of an Authorized Representative the amount in the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to the Indenture to partially defease Bonds or Parity Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

(d) To the extent that the Reserve Account is at the Reserve Requirement as of the first day of the final Bond Year for the Bonds or an issue of Parity Bonds, amounts in the Reserve Account may be applied to pay the principal of and interest due on the Bonds and Parity Bonds, as applicable, in the final Bond Year for such issue. Moneys in the Reserve Account in excess of the Reserve Requirement not transferred in accordance with the preceding provisions of this Section shall be withdrawn from the Reserve Account on the Business Day before each March 1 and September 1 and shall be transferred to the Acquisition and Construction Fund or an Account therein, as directed by an Authorized Representative of the District, until all amounts have been disbursed from the Acquisition and Construction Fund (or such fund is closed) and thereafter to the Interest Account of the Special Tax Fund.

Section 3.7. Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund and shall establish a separate Rebate Account and Alternate Penalty Account therein. All money at any time deposited in the Rebate Account or the Alternate Penalty Account of the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. A separate subaccount of the Rebate Account and the Alternate Penalty Account shall be established for the Bonds and each issue of Parity Bonds the interest on which is excluded from gross income for federal income tax purposes. All amounts on deposit in the Rebate Fund with respect to the Bonds or an issue of Parity Bonds shall be governed by this Section 3.7 and the Tax Certificate for such issue, unless the District obtains an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest payments on the Bonds and Parity Bonds will not be adversely affected if such requirements are not satisfied.

(1) Rebate Account. The following requirements shall be satisfied with respect to each subaccount of the Rebate Account:

(i) Annual Computation. Within 55 days of the end of each Bond Year, the District shall calculate or cause to be calculated the amount of rebatable arbitrage for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage described in the Tax Certificate for each issue (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of

the Code (the “1½% Penalty”) has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the “Rebatable Arbitrage”). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year for which Rebatable Arbitrage must be calculated as required by the Tax Certificate for each issue, upon the written direction of an Authorized Representative of the District, an amount shall be deposited to each subaccount of the Rebate Account by the Trustee from any funds so designated by the District if and to the extent required, so that the balance in the Rebate Account shall equal the amount of Rebatable Arbitrage so calculated by or on behalf of the District in accordance with clause (i) of this subsection (a)(1) with respect to the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable. In the event that immediately following any transfer required by the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit to the credit of the applicable subaccount of the Rebate Account exceeds the amount required to be on deposit therein, upon written instructions from an Authorized Representative of the District, the Trustee shall withdraw the excess from the appropriate subaccount of the Rebate Account and then credit the excess to the Special Tax Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in each subaccount of the Rebate Account:

(X) not later than 60 days after the end of: (A) the fifth Bond Year for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable; and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year for the Bonds and each issue of Parity Bonds, as applicable; and

(Y) not later than 60 days after the payment or redemption of all of the Bonds or an issue of Parity Bonds, as applicable, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Account, the amount in the Rebate Account is not sufficient to make such payment when such payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(1) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

(2) Alternate Penalty Account.

(i) Six-Month Computation. If the 1½% Penalty has been elected for the Bonds or an issue of Parity Bonds, within 85 days of each particular Six-Month Period, the District shall determine or cause to be determined whether the 1½% Penalty is payable (and the amount of

such penalty) as of the close of the applicable Six-Month Period. The District shall obtain expert advice in making such determinations.

(ii) Six-Month Transfer. Within 85 days of the close of each Six-Month Period, the Trustee, at the written direction of an Authorized Representative of the District, shall deposit an amount in the appropriate subaccounts of the Alternate Penalty Account from any source of funds held by the Trustee pursuant to this Indenture and designated by the District in such written directions or provided to it by the District, if and to the extent required, so that the balance in each subaccount of the Alternate Penalty Account equals the amount of 1½% Penalty due and payable to the United States Treasury determined as provided in subsection (a)(2)(i) above. In the event that immediately following any transfer provided for in the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit in a subaccount of the Alternate Penalty Account exceeds the amount required to be on deposit therein to make the payments required by subsection (iii) below, the Trustee, at the written direction of an Authorized Representative of the District, may withdraw the excess from the applicable subaccount of the Alternate Penalty Account and credit the excess to the Special Tax Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in a subaccount of the Alternate Penalty Account, not later than 90 days after the close of each Six-Month Period the 1½% Penalty, if applicable and payable, computed with respect to the Bonds and any issue of Parity Bonds in accordance with Section 148(f)(4) of the Code. In the event that, prior to the time of any payment required to be made from a subaccount of the Alternate Penalty Account, the amount in such subaccount is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and direct the Trustee, in writing, to deposit an amount equal to such deficiency into such subaccount of the Alternate Penalty Account from any funds held by the Trustee pursuant to this Indenture and designated by the District in such written directions prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(2) shall be made to the Internal Revenue Service, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Accounts of the Rebate Fund with respect to the Bonds or an issue of Parity Bonds after redemption and payment of such issue and after making the payments described in subsections (a)(1)(iii) or (a)(2)(iii) (whichever is applicable), may be withdrawn by the Trustee at the written direction of the District and utilized in any manner by the District.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in this Section or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance and final payment of the Bonds and any Parity Bonds with respect to which an Account has been created in the Rebate Fund.

(d) Amendment Without Consent of Owners. This Section 3.7 may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the District an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any issue of Parity Bonds issued on a tax-exempt basis.

(e) Trustee. The Trustee shall have no responsibility to monitor or calculate any amounts payable to the U.S. Treasury pursuant to this Section and shall be deemed constructively to have complied with its obligations hereunder if it follows the written instructions of the District given pursuant to this Section.

Section 3.8. Surplus Fund. After making the transfers required by Sections 3.3, 3.4, 3.5, 3.6 and 3.7 hereof, as soon as practicable after each September 1, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, unless on or prior to such date, it has received a Certificate of an Authorized Representative directing that certain amounts be retained in the Special Tax Fund because the District has included such amounts as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to Section 5.2(b) hereof. Moneys deposited in the Surplus Fund will be transferred by the Trustee at the direction of an Authorized Representative of the District: (i) to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments, premium, if any, and interest on the Bonds and any Parity Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor; (ii) to the Reserve Account in order to replenish the Reserve Account to the Reserve Requirement; (iii) to the Administrative Expense Account of the Special Tax Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expense Account of the Special Tax Fund are insufficient to pay Administrative Expenses; (iv) to the Acquisition and Construction Fund to pay Project Costs as required by the Acquisition Agreement; or (v) after all Project Costs have been paid, to the District, for any other lawful purpose of the District. The Surplus Fund shall be considered a PayGo Account within the meaning of the Acquisition Agreement.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds or the Parity Bonds and may be used by the District for any lawful purpose, subject to the Acquisition Agreement. In the event that the District reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds or Parity Bonds, the District shall notify the Trustee in a Certificate of an Authorized Representative and the Trustee shall segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall be invested at the written direction of the District in Authorized Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals under the Code) or in Authorized Investments at a yield not in excess of the yield on the issue of Bonds or Parity Bonds to which such amounts are to be applied, unless, in the opinion of Bond Counsel, investment at a higher yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes. All amounts disbursed from the Surplus Fund shall be disbursed as directed by an Authorized Representative of the District.

Section 3.9. Acquisition and Construction Fund.

(a) The moneys in the Costs of Issuance Account shall be disbursed by the Trustee pursuant to a Certificate of an Authorized Representative of the District, and any balance remaining therein after 180 days shall be transferred by the Trustee to an Account within the Acquisition and Construction Fund as directed in writing by an Authorized Representative of the District. Following such transfer to the Acquisition and Construction Fund, the Costs of Issuance Account shall be closed.

(b) The moneys in the Acquisition and Construction Fund and the Accounts therein (other than the Costs of Issuance Account) shall be applied exclusively to pay the Project Costs. Amounts for Project Costs shall be disbursed by the Trustee from the Acquisition and Construction Fund or the Accounts therein (other than the Costs of Issuance Account), as specified in a Request for Disbursement of Project Costs, substantially in the form of Exhibit B-1 attached hereto. A properly executed Request for Disbursement of Project Costs must be submitted in connection with each requested disbursement and the Trustee may rely thereon without investigating the accuracy thereof. Amounts in an Account of the Acquisition and Construction Fund may be transferred to another Account or Accounts therein pursuant to a Certificate of an Authorized Representative of the District.

(c) When the District determines that the amount remaining in the Acquisition and Construction Fund or the Accounts therein (other than the Costs of Issuance Account) is no longer needed to pay Project Costs, the District shall send written notice to the Developer at least 60 days prior to the date of any transfer notifying the Developer of the District's findings. Upon receipt of a Certificate of an Authorized Representative of the District stating that all or a specified portion of the amount remaining in the Acquisition and Construction Fund or the Accounts therein (other than the Costs of Issuance Account) is no longer needed to pay Project Costs, the Trustee shall: (i) transfer all or such specified portion, as applicable, of the moneys remaining on deposit in the Acquisition and Construction Fund or the Accounts therein (other than the Costs of Issuance Account) to the Interest Account, the Principal Account or Redemption Account of the Special Tax Fund, to the Costs of Issuance Account or to the Surplus Fund, as directed in such certificate, provided that in connection with any direction to transfer amounts to the Surplus Fund there shall have been delivered to the Trustee with such certificate an opinion of Bond Counsel to the effect that such transfer to the Surplus Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes; and (ii) thereafter, close the Acquisition and Construction Fund.

Section 3.10. Investments. Moneys held in any of the Funds, Accounts and Subaccounts under this Indenture shall be invested at the written direction of the District upon at least two (2) Business Days' notice in accordance with the limitations set forth below only in Authorized Investments which shall be deemed at all times to be a part of such Funds, Accounts and Subaccounts. Any loss resulting from such Authorized Investments shall be credited or charged to the Fund, Account or Subaccount from which such investment was made, and any investment earnings on a Fund, Account or Subaccount shall be applied as follows: (i) investment earnings on all amounts deposited in the Acquisition and Construction Fund (including the Accounts therein), the Special Tax Fund, the Surplus Fund and the Rebate Fund and each Account therein (other than the Reserve Account of the Special Tax Fund) shall be deposited in those respective Funds, Accounts and Subaccounts; and (ii) investment earnings on all amounts deposited in the Reserve Account shall be deposited therein to be applied as set forth in Section 3.6. Moneys in the Funds, Accounts and Subaccounts held under this Indenture may be invested by the Trustee as directed in writing by the District, from time to time, in Authorized Investments subject to the following restrictions (provided that the Trustee is not required to verify compliance with such restrictions and may rely on the District's written instructions as evidence of such compliance):

(a) Moneys in the Acquisition and Construction Fund and the Accounts therein shall be invested in Authorized Investments which will by their terms mature, or in the case of an Investment Agreement are available without penalty, as close as practicable to the date the District estimates the moneys represented by the particular investment will be needed for withdrawal from the Acquisition

and Construction Fund or the Accounts therein. Notwithstanding anything herein to the contrary, amounts in the Acquisition and Construction Fund or the Accounts therein three years after the Delivery Date for the Bonds and the proceeds of each issue of Parity Bonds issued on a tax-exempt basis which are remaining on deposit in the Acquisition and Construction Fund on the date which is three years following the date of issuance of such issue of Parity Bonds shall be invested by the District only in Authorized Investments the interest on which is excluded from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals under the Code) or in Authorized Investments at a yield not in excess of the yield on the issue of Bonds or Parity Bonds from which such proceeds were derived, unless in the opinion of Bond Counsel such restriction is not necessary to prevent interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes from being included in gross income for federal income tax purposes.

(b) Moneys in the Interest Account, the Principal Account, and the Redemption Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature, or in the case of an Investment Agreement are available for withdrawal without penalty, on such dates so as to ensure the payment of principal of, premium, if any, and interest on the Bonds and any Parity Bonds as the same become due.

(c) Moneys in the Reserve Account of the Special Tax Fund may be invested only in Authorized Investments (other than the Authorized Investment described in clause (2)(i) of the definition thereof) which, taken together, have a weighted average maturity not in excess of five years; provided that such amounts may be invested in an Investment Agreement to the later of the final maturity of the Bonds or any Parity Bonds so long as such amounts may be withdrawn at any time, without penalty, for application in accordance with Section 3.6 hereof; and provided that no such Authorized Investment of amounts in the Reserve Account allocable to the Bonds or an issue of Parity Bonds shall mature later than the respective final maturity date of the Bonds or the issue of Parity Bonds, as applicable.

(d) Moneys in the Rebate Fund shall be invested only in Authorized Investments of the type described in clause (1) of the definition thereof which by their terms will mature, as nearly as practicable, on the dates and in such amounts as are needed to be paid to the United States Government pursuant to Section 3.7 hereof or in Authorized Investments of the type described in clause (2)(e) of the definition thereof.

(e) In the absence of written investment directions from the District, the Trustee shall invest solely in Authorized Investments specified in clause (2)(e) of the definition thereof.

The Trustee shall sell, or present for redemption, any Authorized Investment whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer to such funds and accounts or from such funds and accounts. Notwithstanding anything herein to the contrary, the Trustee shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of this Indenture. Any Authorized Investments that are registrable securities shall be registered in the name of the Trustee.

The Trustee may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee for making such investment. The Trustee may sell at the best market price obtainable, or present for redemption, any Authorized Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal

or disbursement from the fund or account to which such Authorized Investment is credited, and, subject to the provisions of Section 7.4, the Trustee shall not be liable or responsible for any loss resulting from such investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or which any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

The District acknowledges that, to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

ARTICLE IV

REDEMPTION OF BONDS AND PARITY BONDS

Section 4.1. Redemption of Bonds.

(a) Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds on any date on or after September 1, 20__, in whole or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

<i>Redemption Date</i>	<i>Redemption Price</i>
	%

In the event that the District elects to redeem Bonds as provided above, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee shall be given at least 30 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee.

(b) Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the “20__ Term Bonds”) shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

***Sinking Fund Redemption Date
(September 1)***

Sinking Fund Payments

*

* Maturity.

The Bonds maturing on September 1, 20__ (the “20__ Term Bonds”) shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established hereunder, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

***Sinking Fund Redemption Date
(September 1)***

Sinking Fund Payments

*

* Maturity.

If the District purchases Term Bonds during the Fiscal Year immediately preceding one of the sinking fund redemption dates specified above, the District shall notify the Trustee at least 45 days prior to the redemption date as to the principal amount purchased, and the amount purchased shall be credited at the time of purchase to the next Sinking Fund Payment for the Term Bond so purchased, to the extent of the full principal amount of the purchase. All Bonds purchased pursuant to this subsection shall be cancelled pursuant to Section 10.1 hereof.

In the event of a partial optional redemption or special mandatory redemption of the Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds shall be reduced, as nearly as practicable, on a pro rata basis.

(c) Special Mandatory Redemption. The Bonds are subject to special mandatory redemption as a whole or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after March 1, 2025 and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account pursuant to Section 3.2, plus amounts transferred from the Reserve Account pursuant to Section 3.6(c), at the following redemption prices, expressed

as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

Redemption Date

Redemption Price

%

Prepayments and amounts released from the Reserve Account in connection with Prepayments will be allocated to the payment at maturity and redemption of Bonds and any Parity Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds and such amounts shall be applied to redeem Bonds and Parity Bonds as nearly as practicable on a pro rata basis among maturities in increments of \$5,000; provided, however, that, for Prepayments of less than \$50,000, the District may specify in a Certificate of an Authorized Representative that Prepayments be applied to one or more maturities of the Bonds or Parity Bonds so long as there is delivered to the Trustee a Certificate of the Independent Financial Consultant that, following such application of the Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Taxable Property is not less than 110% of Annual Debt Service in the Bond Year that begins in such Fiscal Year.

(d) The redemption provisions for Parity Bonds shall be set forth in a Supplemental Indenture.

Section 4.2. Selection of Bonds and Parity Bonds for Redemption. If less than all of the Bonds or Parity Bonds Outstanding are to be redeemed, the portion of any Bond or Parity Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. In selecting portions of such Bonds or Parity Bonds for redemption, the Trustee shall treat such Bonds or Parity Bonds, as applicable, as representing that number of Bonds or Parity Bonds of \$5,000 denominations which is obtained by dividing the principal amount of such Bonds or Parity Bonds to be redeemed in part by \$5,000. The procedure for the selection of Parity Bonds for redemption may be modified as set forth in the Supplemental Indenture for such Parity Bonds. The Trustee shall promptly notify the District in writing of the Bonds or Parity Bonds, or portions thereof, selected for redemption.

Section 4.3. Notice of Redemption. When Bonds or Parity Bonds are due for redemption under Section 4.1 above or under another redemption provision set forth in a Supplemental Indenture relating to any Parity Bonds, the Trustee shall give notice, in the name of the District, of the redemption of such Bonds or Parity Bonds. Such notice of redemption shall: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds or Parity Bonds selected for redemption, except that where all of the Bonds or all of an issue of Parity Bonds are subject to redemption, or all of the Bonds or Parity Bonds of one maturity are to be redeemed, the bond numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds or Parity Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds or Parity Bonds are to be redeemed; (v) in the case of Bonds or Parity Bonds to be redeemed only in part, state the portion of such Bond or Parity Bond which is to be redeemed; (vi) state the date of issue of the Bonds or Parity Bonds as originally issued; (vii) state the rate of interest borne by each Bond or Parity Bond being redeemed; and (viii) state any other

descriptive information needed to identify accurately the Bonds or Parity Bonds being redeemed as shall be specified by the Trustee. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond, Parity Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Trustee shall mail a copy of such notice of redemption, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register, and to the original purchaser of any Bonds or Parity Bonds; provided, however, so long as the Bonds and Parity Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. The actual receipt by the Owner of any Bond or Parity Bond of notice of such redemption shall not be a condition precedent to redemption, and neither the failure to receive nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds or Parity Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as herein provided shall be conclusive as against all parties and the Owner shall not be entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption shall be sent not later than the date that notice of redemption is given to the Owners pursuant to the first paragraph of this Section by first class mail or facsimile to the Depository and to any other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and Parity Bonds as determined by the Trustee and to one or more of the national information services that the Trustee determines are in the business of disseminating notice of redemption of obligations such as the Bonds and Parity Bonds.

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

With respect to any notice of optional redemption of Bonds or Parity Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds or Parity Bonds to be redeemed and that, if the District determines that such moneys will not be so received on or prior to the redemption date, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds or Parity Bonds. If any condition stated in the redemption notice for an optional redemption shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds or Parity Bonds, (iii) the redemption shall not be made, and (iv) the Trustee shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Section 4.4. Partial Redemption of Bonds or Parity Bonds. Upon surrender of any Bond or Parity Bond to be redeemed in part only, the District shall execute and the Trustee shall authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds or a new Parity Bond or Parity Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity or, in the case of surrender of a Parity Bond, a new Parity Bond or Parity Bonds subject to the foregoing limitations.

Section 4.5. Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in Section 4.3 hereof, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) the Bonds and Parity Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Indenture or in any Supplemental Indenture with respect to any Parity Bonds, anything in this Indenture or in the Bonds or the Parity Bonds to the contrary notwithstanding;

(b) upon presentation and surrender thereof at the office of the Trustee, the redemption price of such Bonds and Parity Bonds shall be paid to the Owners thereof;

(c) as of the redemption date the Bonds or the Parity Bonds, or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds or Parity Bonds, or portions thereof, shall cease to bear further interest; and

(d) as of the date fixed for redemption no Owner of any of the Bonds, Parity Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of this Indenture or any Supplemental Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1. Warranty. The District shall preserve and protect the security pledged hereunder to the Bonds and any Parity Bonds against all claims and demands of all persons.

Section 5.2. Covenants. So long as any of the Bonds or Parity Bonds issued hereunder are Outstanding and unpaid, the District makes the following covenants with the Owners under the provisions of the Act and this Indenture (to be performed by the District or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bonds and Parity Bonds and tend to make them more marketable; provided, however, that said covenants do not require the District to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

(a) Punctual Payment; Against Encumbrances. The District covenants that it will receive all Special Taxes in trust for the Owners and will deposit all Special Taxes with the Trustee immediately upon their apportionment to the District, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by this Indenture. All such Special Taxes

shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

The District covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond and Parity Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Parity Bonds and in accordance with this Indenture to the extent that Net Taxes and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, any Parity Bonds, and this Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bonds and any Parity Bonds issued hereunder.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Taxes except as provided in this Indenture, and will not issue any obligation or security having a lien or charge upon the Net Taxes superior to or on a parity with the Bonds, other than Parity Bonds. Nothing herein shall prevent the District from issuing or incurring indebtedness which is payable from a pledge of Net Taxes which is subordinate in all respects to the pledge of Net Taxes to repay the Bonds and the Parity Bonds, subject to compliance with the District's bonded indebtedness limit.

(b) Levy of Special Tax. Beginning in Fiscal Year 2024-25 and so long as any Bonds or Parity Bonds issued under this Indenture are Outstanding, the District covenants to levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay: (1) the principal of and interest on the Bonds and any Parity Bonds when due; (2) the Administrative Expenses; (3) any amounts required to replenish the Reserve Account of the Special Tax Fund to the Reserve Requirement, including any amounts to pay costs related to the Reserve Policy, if any, and (4) any other amounts for the direct payment of Project Costs pursuant to the RMA and the Acquisition Agreement. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

(c) Commence Foreclosure Proceedings. The District covenants for the benefit of the Owners of the Bonds and any Parity Bonds that it shall: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement. The District may, but shall not be obligated to, advance funds from any source of legally available funds in order to maintain the Reserve Account. The District may treat any delinquent Special Tax sold to an independent third-party or to the County for at least 100% of the delinquent amount as having been paid. Proceeds of any such sale up to 100% of the delinquent amount will be deposited in the Special Tax Fund.

The District covenants that it will deposit the net proceeds of any foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to

make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

(d) Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Net Taxes or other funds in the Special Tax Fund (other than the Administrative Expense Account therein), or which might impair the security of the Bonds or any Parity Bonds then Outstanding; provided, however, that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

(e) Books and Accounts. The District will keep proper books of records and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the Project, the levy of the Special Tax and the deposits to the Special Tax Fund. Such books of records and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the Owners or the Owners of any issue of Parity Bonds then Outstanding or their representatives authorized in writing.

(f) Federal Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis for federal income tax purposes will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or any Parity Bonds or of any other monies or property which would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be “private activity bonds” within the meaning of Section 141 of the Code.

(2) Arbitrage. The District will make no use of the proceeds of the Bonds or any Parity Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(3) Federal Guaranty. The District will make no use of the proceeds of the Bonds or any Parity Bonds or take or omit to take any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(4) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(5) Hedge Bonds. The District will make no use of the proceeds of the Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be considered “hedge bonds” within the meaning

of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds and any applicable Parity Bonds.

(6) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed on the Delivery Date by the District in connection with the Bonds and any issue of Parity Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

(7) Other Tax-Exempt Issues. The District will not use proceeds of other tax-exempt securities to redeem any Bonds or Parity Bonds without first obtaining the written opinion of Bond Counsel that doing so will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis.

(8) Subsequent Opinions. If the District obtains a subsequent opinion of Bond Counsel other than Stradling Yocca Carlson & Rauth LLP, where such opinion is required in connection with a change or amendment to this Indenture or the procedures set forth in the Tax Certificate, it will obtain an opinion substantially to the effect originally delivered by Stradling Yocca Carlson & Rauth LLP, that interest on the Bonds is excluded from gross income for federal income tax purposes.

(g) Reduction of Maximum Special Taxes. The District hereby finds and determines that, historically, delinquencies in the payment of special taxes authorized pursuant to the Act in community facilities districts in Southern California have from time to time been at levels requiring the levy of special taxes at the maximum authorized rates in order to make timely payment of principal of and interest on the outstanding indebtedness of such community facilities districts. For this reason, the District hereby determines that a reduction in the maximum Special Tax rates authorized to be levied on parcels in the Improvement Area below the levels provided in this Section 5.2(g) would interfere with the timely retirement of the Bonds and Parity Bonds. The District determines it to be necessary in order to preserve the security for the Bonds and Parity Bonds to covenant, and, to the maximum extent that the law permits it to do so, the District hereby does covenant, that it shall not initiate proceedings to reduce the maximum Special Tax rates for the Improvement Area, unless, in connection therewith, the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the Improvement Area to an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such proposed reduction; and (ii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds.

(h) Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the Improvement Area which purports to reduce the maximum Special Tax below the levels specified in Section 5.2(g) above or to limit the power of the District to levy the Special Taxes for the purposes set forth in Section 5.2(b) above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

(i) Limitation on Right to Tender Bonds. The District hereby covenants that it will not adopt any policy pursuant to Section 53344.1 of the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District shall have first

received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Net Taxes to pay the principal of and interest on the Bonds and Parity Bonds when due.

(j) Continuing Disclosure. The District covenants to comply with the terms of the Continuing Disclosure Certificate and with the terms of any agreement executed by the District with respect to any Parity Bonds to assist the Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission; provided, however, that a failure to comply shall not be considered an event of default hereunder and the Owners shall be limited to enforcing the terms thereof in accordance with the terms of the Continuing Disclosure Certificate.

(k) Further Assurances. The District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds and any Parity Bonds of the rights and benefits provided in this Indenture.

ARTICLE VI

AMENDMENTS TO INDENTURE

Section 6.1. Supplemental Indentures or Orders Not Requiring Owner Consent. The District may from time to time, and at any time, without notice to or consent of any of the Owners, adopt Supplemental Indentures for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Indenture or in any additional resolution or order, provided that such action is not materially adverse to the interests of the Owners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Indenture other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Indenture as theretofore in effect or which further secure Bond or Parity Bond payments;

(c) to provide for the issuance of any Parity Bonds, and to provide the terms and conditions under which such Parity Bonds may be issued, subject to and in accordance with the provisions of this Indenture;

(d) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to comply with the Code or regulations issued thereunder, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds or any Parity Bonds then Outstanding;

(e) to modify, alter or amend the RMA in any manner, so long as the Trustee receives a certificate of an Independent Financial Consultant stating that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the Improvement Area to

an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such amendment and (ii) based on the then current development plan for parcels within the Improvement Area, do not reduce the maximum Special Taxes which could be levied upon Taxable Property within the Improvement Area to an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such amendment;

(f) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Owners; or

(g) to modify, alter, amend or supplement this Indenture in any other respect, as may be required to fund all or a portion of the Reserve Requirement with a Reserve Policy.

Section 6.2. Supplemental Indentures or Orders Requiring Owner Consent.

Exclusive of the Supplemental Indentures described in Section 6.1, the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Indentures as shall be deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that nothing herein shall permit, or be construed as permitting: (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond or Parity Bond; (b) a reduction in the principal amount of, or redemption premium on, any Bond or Parity Bond or the rate of interest thereon; (c) a preference or priority of any Bond or Parity Bond over any other Bond or Parity Bond; or (d) a reduction in the aggregate principal amount of the Bonds and Parity Bonds the Owners of which are required to consent to such Supplemental Indenture, without the consent of the Owners of all Bonds and Parity Bonds then Outstanding.

If at any time the District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Owners, the District shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplemental Indenture. The Trustee shall, at the expense of the District, cause notice of the proposed Supplemental Indenture to be mailed, by first class mail, postage prepaid, to all Owners at their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Owners. The failure of any Owners to receive such notice shall not affect the validity of such Supplemental Indenture when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice, and shall specifically consent to and approve the adoption thereof by the District substantially in the form of the copy referred to in such notice as on file with the Trustee, such proposed Supplemental Indenture, when duly adopted by the District, shall thereafter become a part of the proceedings for the issuance of the Bonds and any Parity Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds and Parity Bonds have consented to the adoption of any Supplemental Indenture, Bonds or Parity Bonds which are owned by the District or by any person

directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination.

Upon the adoption of any Supplemental Indenture and the receipt of consent to any such Supplemental Indenture from the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds in instances where such consent is required pursuant to the provisions of this Section, this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the District and all Owners of Outstanding Bonds and Parity Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 6.3. Notation of Bonds or Parity Bonds; Delivery of Amended Bonds or Parity Bonds. After the effective date of any action taken as hereinabove provided, the District may determine that the Bonds or any Parity Bonds may bear a notation, by endorsement in form approved by the District, as to such action, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date and presentation of such Owner's Bond or Parity Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bonds or Parity Bonds. If the District shall so determine, new Bonds or Parity Bonds so modified as, in the opinion of the District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date such new Bonds or Parity Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner of Outstanding Bonds or Parity Bonds, upon surrender of such Outstanding Bonds or Parity Bonds.

The Trustee shall have the right to require such opinions of counsel as it deems necessary concerning: (i) the lack of material adverse effect of the amendment on Owners; and (ii) the fact that the amendment will not affect the tax status of interest with respect to the Bonds.

ARTICLE VII

TRUSTEE

Section 7.1. Trustee. U.S. Bank Trust Company, National Association shall be the Trustee for the Bonds and any Parity Bonds unless and until another Trustee is appointed by the District hereunder. The Trustee represents that it has (or is a member of a bank holding company system whose bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least \$100,000,000. The District may, at any time, appoint a successor Trustee satisfying the requirements of Section 7.2 below for the purpose of receiving all money which the District is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5 above, interest payments to the Owners, to select Bonds and Parity Bonds for redemption, and to maintain the Bond Register. The Trustee is hereby authorized to pay the principal of and premium, if any, on the Bonds and Parity Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds and Parity Bonds presented to it for such purposes, to provide for the

cancellation of Bonds and Parity Bonds all as provided in this Indenture, and to provide for the authentication of Bonds and Parity Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds and Parity Bonds paid, discharged and cancelled by it.

The Trustee is hereby authorized to pay and redeem the Bonds and Parity Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds and Parity Bonds upon payment thereof in accordance with the provisions of Section 10.1 hereof.

The District shall from time to time, subject to any agreement between the District and the Trustee then in force, timely pay to the Trustee following demand therefor compensation for its services, reimburse the Trustee for all its advances and expenditures, including, but not limited to, advances to and fees, costs and expenses of independent accountants or counsel employed by it in the exercise and performance of its powers and duties hereunder, and indemnify and save the Trustee, its officers, directors, employees and agents, harmless against costs, claims, expenses and liabilities, including, without limitation, fees, costs and expenses of its attorneys (not arising from its own gross negligence or willful misconduct) which it may incur in the exercise and performance of its powers and duties hereunder. The foregoing obligation of the District to indemnify the Trustee shall survive the removal or resignation of the Trustee or the discharge of the Bonds and Parity Bonds.

Section 7.2. Removal of Trustee. The District may at any time at its sole discretion, upon 30 days' notice, remove the Trustee initially appointed, and any successor thereto, by delivering to the Trustee a written notice of its decision to remove the Trustee and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company having (or whose parent bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state authority. Any removal shall become effective only upon acceptance of appointment by the successor Trustee. If any bank or trust company appointed as a successor publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee and notice of the successor Trustee's identity and address being sent by the successor Trustee to the Owners.

Section 7.3. Resignation of Trustee. The Trustee may at any time resign and be discharged from its duties and obligations hereunder by giving written notice to the District. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee satisfying the criteria in Section 7.2 above by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed by the District within thirty (30) days of giving such notice or removal or resignation, then the Trustee, or any Owner may petition, at the sole expense of the District, a court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint a successor Trustee under the Indenture.

Section 7.4. Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds and any Parity Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Trustee assumes no responsibility or liability for the correctness of the same and makes no representations whatsoever as to the validity or sufficiency of this Indenture, the Bonds or any Parity Bonds, and shall incur no responsibility or liability in respect thereof, other than in connection with its express duties or obligations specifically set forth herein, in the Bonds and any Parity Bonds, or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall not have nor be under any responsibility or duty with respect to the issuance of the Bonds or any Parity Bonds for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted by it or any of its officers, employees or agents in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture. The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts.

The Trustee shall be entitled to request and receive written instructions from the District and/or Owners and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with the written direction of any such party. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of an Owner and/or the District, pursuant to the provisions of this Indenture, unless such party shall have offered to the Trustee security or indemnity (satisfactory to the Trustee in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction.

Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the District or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other person. The Trustee shall be conclusively protected in acting upon any notice, resolution, request, consent, order, certificate, report, Bond, Parity Bond or other paper or document signed or presented by the proper party or parties as provided hereunder. The Trustee may, at the expense of the District, request, rely on and act in accordance with officer's certificates and/or opinions of counsel, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such officer's certificates and opinions of counsel.

The Trustee shall not be bound to recognize any person as the Owner of a Bond or Parity Bond unless and until such Bond or Parity Bond is submitted for inspection, if required, and his title thereto is satisfactorily established to the Trustee, if disputed.

Whenever in the administration of its express obligations under this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a written certificate of the District, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Trustee may but shall not be obligated to accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. It is understood and agreed that no such act shall broaden or imply the Trustee's acceptance of a broadening of the scope of the Trustee's duties and obligations hereunder unless the Trustee shall provide written acceptance thereof.

The Trustee shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it actually receives. No provision in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall not be deemed to have knowledge of any default or event of default under this Indenture until an officer at the Trustee's corporate trust office responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its corporate trust office.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and any Parity Bonds.

Before taking any action under Article VIII hereof the Trustee may require indemnity and security satisfactory to the Trustee be furnished to it for and from any expenses and liabilities and to protect it against any liability it may incur hereunder.

The immunities extended to the Trustee also extend to its directors, officers, employees and agents (including its counsel).

The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of the Owners of 25% (or other percentage provided for herein) in aggregate principal amount of Bonds and Parity Bonds Outstanding relating to the exercise of any right, power or remedy available to the Trustee. In the event of conflicting instructions hereunder, the Trustee shall have the right to decide the appropriate course of action and will be protected in so doing.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty or in any way expand or impliedly expand the scope of the Trustee's duties hereunder, and, with respect to such permissive rights, the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

The Trustee may become the Owner or pledgee of the Bonds and Parity Bonds with the same rights it would have if it were not Trustee.

The Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture and no implied duties or obligations shall be read into this Indenture against the Trustee. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person.

The District shall, to the extent permitted by law, indemnify and save the Trustee and its officers, directors, agents, and employees harmless from and against (whether or not litigated) all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (i) the use, maintenance, condition or management of, or from any work or thing done on, the Project; (ii) any breach or default on the part of the District in the performance of any of its obligations under this Indenture and any other agreement made and entered into for purposes of the Bonds and Parity Bonds; (iii) any act of the County, the District or of any of its agents, contractors, servants, employees or licensees with respect to the Project; (iv) any act of any assignee of, or purchaser from, the County, the District or of any of its or their agents, contractors, servants, employees or licensees with respect to the Project; (v) the construction or acquisition of the Project or the expenditure of Project Costs; (vi) the exercise and performance by the Trustee of its powers and duties hereunder or any related document; (vii) the sale of the Bonds and Parity Bonds and the carrying out of any of the transactions contemplated by the Bonds and Parity Bonds or this Indenture; or (viii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made in light of the circumstances in which they were made, not misleading in any official statement or other disclosure document utilized in connection with the sale or marketing of the Bonds and Parity Bonds. The indemnification set forth in this Section shall extend to the Trustee's officers, agents, employees, successors and assigns. No indemnification will be made under this Section or elsewhere in this Indenture or other agreements for willful misconduct or negligence by the Trustee, its officers, agents, employees, successors or assigns. The District's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Bonds and Parity Bonds, or the resignation or removal of the Trustee.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and all persons, including, without limitation, the Owners, the District and the County, having any claim against the Trustee arising from this Indenture shall look only to the funds and accounts held by the Trustee hereunder for payment, except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds and any Parity Bonds.

THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROJECT, OR ANY PORTION THEREOF. In no event shall the Trustee be liable for incidental, indirect, punitive, special or consequential loss or damage of any

kind whatsoever (including, but not limited to, loss of profit), in connection with or arising out of the Project or this Indenture for the existence, furnishing, functioning or use and possession of the Project, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of *force majeure*. The term “*force majeure*” means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. *Force majeure* shall include, but not limited to, acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, quarantine restrictions, or other similar occurrences.

The Trustee shall have the right to accept and act upon directions given pursuant to this Indenture and delivered using electronic notice; provided, however, that the District shall provide to the Trustee an incumbency certificate listing each Authorized Representative of the District with the authority to provide such directions and containing specimen signatures of such authorized officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee directions using electronic notice and the Trustee in its discretion elects to act upon such directions, the Trustee’s understanding of such directions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions and that the Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative of the District. The District shall be responsible for ensuring that only an Authorized Representative of the District shall transmit such directions to the Trustee and that each Authorized Representative of the District treat applicable user and authorization codes, passwords and/or authentication keys with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and a compliance with such directions, notwithstanding such directions conflict or are inconsistent with a subsequent written direction. The District agrees (i) to assume all risks arising out of the use of electronic notice to submit directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Trustee and that there may be more secure methods of transmitting directions than the method(s) selected by the District; and (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

Section 7.5. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1. Events of Default. Any one or more of the following events shall constitute an “Event of Default”:

(a) default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond or Parity Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) default in the due and punctual payment of the interest on any Bond or Parity Bond when and as the same shall become due and payable; or

(c) except as described in subsections (a) or (b), default by the District in the observance of any of the agreements, conditions or covenants on its part contained in this Indenture, the Bonds or any Parity Bonds, which default continues for a period of 30 days after the District has been given notice in writing of such default by the Trustee or the Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds and Parity Bonds.

The Trustee agrees to give notice to the Owners as soon as practicable upon the occurrence of an Event of Default under subsections (a) or (b) above and within 30 days of the Trustee’s actual knowledge of an Event of Default under subsection (c) above.

Section 8.2. Remedies of Owners. Upon the occurrence of an Event of Default, any Owner may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds and Parity Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture, including:

(a) by mandamus or other suit or proceeding at law or in equity to enforce his rights against the District and any of the members, officers and employees of the District, and to compel the District or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Indenture;

(b) by suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) by a suit in equity to require the District and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested and directed so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds and Parity Bonds and if indemnified to its satisfaction, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bonds and Parity Bonds.

No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise,

and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 8.3. Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Owners under the provisions of this Indenture relating to the Bonds and Parity Bonds shall be applied by the Trustee in the following order upon presentation of the several Bonds and Parity Bonds:

First, to the payment of the costs, fees and expenses of the Trustee in declaring such Event of Default and in performing its duties and obligations hereunder, including reasonable compensation to its agents, attorneys and counsel;

Second, to the payment of the fees, costs and expenses of the Owners in declaring such Event of Default and in carrying out the provisions of this Article VIII, including reasonable compensation to its agents, attorneys and counsel, and to the payment of all other outstanding fees and expenses of the Trustee; and

Third, to the payment of the whole amount of interest on and principal of the Bonds and Parity Bonds then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds and Parity Bonds; provided, however, that in the event that such amounts shall be insufficient to pay the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

(a) first to the payment of all installments of interest on the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing;

(b) second, to the payment of all installments of principal, including Sinking Fund Payments, of the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing; and

(c) third, to the payment of interest on overdue installments of principal and interest on the Bonds and Parity Bonds on a pro rata basis based on the total amount then due and owing.

Section 8.4. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its obligations hereunder, whether upon its own discretion or upon the request of the Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds and Parity Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds and Parity Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation. Any suit, action or proceeding which any Owner of Bonds or Parity Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds and Parity Bonds similarly situated and the Trustee is hereby appointed (and the

successive respective Owners of the Bonds and Parity Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the respective Owners of the Bonds and Parity Bonds for the purposes of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds and Parity Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Section 8.5. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights and of the Owners of the Bonds and Parity Bonds under this Indenture, the Trustee shall be entitled, as a matter of right to which the District expressly agrees, to the appointment of a receiver or receivers of the Net Taxes and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.6. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Bonds or the Parity Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds and Parity Bonds to the respective Owners of the Bonds and Parity Bonds at the respective dates of maturity, as herein provided, or to pay the Trustee its fees and expenses as provided in Section 8.3 hereof, out of the Net Taxes and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds or Parity Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or the Owners by the Act or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Section 8.7. Limitations on Rights and Remedies of Owners. No Owner of any Bond or Parity Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless: (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds and Parity Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity and security reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity and security shall have been made to, the Trustee.

Such notification, request, tender of indemnity and security and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds and Parity Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds and Parity Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained

in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds and Parity Bonds.

The right of any Owner of any Bond and Parity Bond to receive payment of the principal of and interest and premium (if any) on such Bond and Parity Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.8. Termination of Proceedings. In case any Owner shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the District, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Owners shall continue as if no such proceedings had been taken.

ARTICLE IX

DEFEASANCE AND PARITY BONDS

Section 9.1. Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond or Parity Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Indenture or any Supplemental Indenture, then the Owner of such Bond or Parity Bond shall cease to be entitled to the pledge of Net Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond or Parity Bond under this Indenture and any Supplemental Indenture relating to such Parity Bond shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds and Parity Bonds pursuant to this Section, the Trustee shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Indenture which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds and Parity Bonds.

Any Outstanding Bond or Parity Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond or Parity Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund (exclusive of the Administrative Expense Account) and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable; or

(c) by depositing with the Trustee or another escrow bank appointed by the District, in trust, federal securities described in subparagraph (1) of the definition of Authorized Investments, in

which the District may lawfully invest its money, in such amount as will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund (exclusive of the Administrative Expense Account) and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable.

If paid as provided above, then, at the election of the District, and notwithstanding that any Outstanding Bonds and Parity Bonds shall not have been surrendered for payment, all obligations of the District under this Indenture and any Supplemental Indenture with respect to such Bond or Parity Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owners of any such Bond or Parity Bond not so surrendered and paid all sums due thereon, and except for the covenants of the District contained in Section 5.2(f) or any covenants in a Supplemental Indenture relating to compliance with the Code. Notice of such election shall be filed with the Trustee not less than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Trustee. In connection with a defeasance under (c) above, there shall be provided to the District a verification report from an independent nationally recognized certified public accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Trustee or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds and Parity Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and in connection with a defeasance under (b) or (c) above, an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds or Parity Bonds being defeased have been legally defeased in accordance with this Indenture and any applicable Supplemental Indenture.

Upon a defeasance, the Trustee, upon request of the District, shall release the rights of the Owners of such Bonds and Parity Bonds which have been defeased under this Indenture and any Supplemental Indenture and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds and Parity Bonds, the Trustee shall pay over or deliver to the District any funds held by the Trustee at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds and Parity Bonds when due. The Trustee shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Owners whose Bonds or Parity Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

Section 9.2. Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness. The District may at any time after the issuance and delivery of the Bonds hereunder issue Parity Bonds payable from the Net Taxes and other amounts deposited in the Special Tax Fund (other than in the Administrative Expense Account therein) and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued hereunder or under any Supplemental Indenture; provided, however, that Parity Bonds may only be issued for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding, or for other purposes of the District in a principal amount not to exceed \$_____. Parity Bonds may be issued subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Parity Bonds:

(a) The District shall be in compliance with all covenants set forth in this Indenture and any Supplemental Indenture then in effect and a certificate of the District to that effect shall have been filed with the Trustee; provided, however, that Parity Bonds may be issued notwithstanding that

the District is not in compliance with all such covenants so long as immediately following the issuance of such Parity Bonds the District will be in compliance with all such covenants.

(b) The issuance of such Parity Bonds shall have been duly authorized pursuant to the Act and all applicable laws, and the issuance of such Parity Bonds shall have been provided for by a Supplemental Indenture duly authorized, executed and delivered by the District which shall specify the following:

(1) the purpose for which such Parity Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited;

(2) the authorized principal amount of such Parity Bonds;

(3) the date and the maturity date or dates of such Parity Bonds; provided that: (i) each maturity date shall fall on a September 1; (ii) all such Parity Bonds of like maturity shall be identical in all respects, except as to number; (iii) fixed serial maturities or Sinking Fund Payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates; and (iv) the maturity of such Parity Bonds shall not exceed the maturity of the Bonds being refunded;

(4) the description of the Parity Bonds, the place of payment thereof and the procedure for execution and authentication;

(5) the denominations and method of numbering of such Parity Bonds;

(6) the amount and due date of each mandatory Sinking Fund Payment, if any, for such Parity Bonds;

(7) the amount, if any, to be deposited from the proceeds of such Parity Bonds in the Reserve Account of the Special Tax Fund to increase the amount therein to the Reserve Requirement;

(8) the form of such Parity Bonds; and

(9) such other provisions as are necessary or appropriate and not inconsistent with this Indenture.

(c) The District shall have received the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Parity Bonds by the Trustee (unless the Trustee shall be directed by the District to accept any of such documents bearing a prior date):

(1) a certified resolution of the Board of Supervisors, acting as the legislative body of the District, authorizing the issuance of such Parity Bonds;

(2) a written request of the District as to the delivery of such Parity Bonds;

(3) an opinion of Bond Counsel and/or general counsel to the District to the effect that: (i) the District has the right and power under the Act to execute and deliver the Supplemental Indenture relating to such Parity Bonds, and such Supplemental Indenture has been

duly and lawfully executed by the District, and this Indenture and such Supplemental Indenture are in full force and effect and are valid and binding upon the District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights); (ii) this Indenture creates the valid pledge which it purports to create of the Net Taxes and other amounts as provided in this Indenture, subject to the application thereof to the purposes and on the conditions permitted by this Indenture; and (iii) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of this Indenture and the Supplemental Indenture executed and delivered in connection with such Parity Bonds and are entitled to the benefits of this Indenture and such Supplemental Indenture, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and this Indenture and such Supplemental Indenture; and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax-exempt basis, or the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued;

(4) a certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of this Indenture;

(5) where the Parity Bonds are issued to refund the Bonds or other Parity Bonds, a certificate of an Independent Financial Consultant certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds;

(6) where the Parity Bonds are being issued other than to refund the Bonds or other Parity Bonds, a Certificate of the Special Tax Administrator certifying that (i) the maximum Special Taxes that may be levied in each Fiscal Year is not less than 110% of the Annual Debt Service in the Bond Year that begins in such Fiscal Year; and (ii) the Value of Improvement Area Property is not less than six times the sum of Direct Debt for Improvement Area Property plus Overlapping Debt allocable to all property in the Improvement Area subject to the Special Tax. For purposes of the foregoing Certificate of the Special Tax Administrator, all calculations shall consider the Parity Bonds proposed to be issued to be Outstanding; and

(7) such further documents, money and securities as are required by the provisions of this Indenture and the Supplemental Indenture providing for the issuance of such Parity Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1. Cancellation of Bonds and Parity Bonds. All Bonds and Parity Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond or Parity Bond purchased by the District as authorized herein and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee

shall destroy such Bonds and Parity Bonds, as provided by law, and, upon request of the District, furnish to the District a certificate of such destruction.

Section 10.2. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds or Parity Bonds shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument, and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond or Parity Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond or Parity Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond or Parity Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the District nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in this Indenture shall be construed as limiting the Trustee or the District to such proof, it being intended that the Trustee or the District may accept any other evidence of the matters herein stated which the Trustee or the District may deem sufficient. Any request or consent of the Owner of any Bond or Parity Bond shall bind every future Owner of the same Bond or Parity Bond in respect of anything done or suffered to be done by the Trustee or the District in pursuance of such request or consent.

Section 10.3. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Outstanding Bonds and Parity Bonds which remain unclaimed for two years after the date when such Outstanding Bonds or Parity Bonds have become due and payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Outstanding Bonds or Parity Bonds become due and payable, shall be repaid by the Trustee to the District, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Outstanding Bonds or Parity Bonds; provided, however, that, before being required to make any such payment to the District, the Trustee, at the expense of the District, shall cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bonds or Parity Bonds at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Section 10.4. Provisions Constitute Contract. The provisions of this Indenture shall constitute a contract between the District and the Owners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Owners or the Trustee, then the District, the Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds, this Indenture shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Indenture, but to no greater extent and in no other manner.

Section 10.5. Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Taxes which is subordinate to the pledge hereunder, or which is payable from the general fund of the District or from taxes or any source other than the Net Taxes and other amounts pledged hereunder.

Section 10.6. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds or any Parity Bonds the rights and benefits provided in this Indenture.

Section 10.7. Entire Agreement; Severability. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written. If any covenant, agreement or provision, or any portion thereof, contained in this Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Indenture, the Bonds and any Parity Bonds issued pursuant hereto shall remain valid and the Owners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 10.8. Notices. Any notices required to be given to the District with respect to the Bonds or this Indenture shall be mailed, first class, postage prepaid, or personally delivered to the Treasurer and Tax Collector of the County of Los Angeles, Kenneth Hahn Hall of Administration, 500 W Temple Street, Los Angeles, CA 90012, all notices to the Trustee in its capacity as Trustee shall be mailed, first class, postage prepaid, or personally delivered to the Trustee, U.S. Bank Trust Company, National Association, 633 West Fifth Street, 24th Floor, Los Angeles, California 90071 Attention: Global Corporate Trust.

IN WITNESS WHEREOF, COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) has caused this Indenture to be signed by an Authorized Representative of the District and U.S. Bank Trust Company, National Association in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officers identified below, all as of the day and year first above written.

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

By: _____
ELIZABETH BUENROSTRO GINSBERG
Treasurer and Tax Collector
County of Los Angeles

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

By: _____
Authorized Signatory

EXHIBIT A

FORM OF SPECIAL TAX BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE DISTRICT OR TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

R- _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES**

**COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BOND, SERIES 2024**

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
_____ % September 1, 20__ September __, 2024 _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) (the “District”) which was formed by the County of Los Angeles (the “County”) and is situated in the County, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (as hereinafter defined), to the Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such Principal Amount from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless: (i) the date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication; (ii) the date of authentication is after a Record Date (as hereinafter defined) but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest shall be payable from the Dated Date set

forth above. Notwithstanding the foregoing, if at the time of authentication of this Bond interest is in default, interest on this Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment, interest on this Bond shall be payable from the Dated Date set forth above. Interest will be paid semiannually on March 1, 2025 and each March 1 and September 1 thereafter (each an “Interest Payment Date”), at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of and premium, if any, on this Bond are payable to the Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of the Trustee (as such term is defined in the Indenture), initially U.S. Bank Trust Company, National Association (the “Trustee”). Interest on this Bond shall be paid by check of the Trustee mailed, by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the Owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the Interest Payment Date occurs (the “Record Date”) at such Owner’s address as it appears on the registration books maintained by the Trustee.

This Bond is one of a duly authorized issue of “County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024” (the “Bonds”) issued in the aggregate principal amount of \$_____ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 *et seq.* of the California Government Code (the “Act”) for the purpose of financing public improvements, funding capitalized interest on the Bonds, funding a reserve account and paying certain costs related to the issuance of the Bonds. The issuance of the Bonds and the terms and conditions thereof are provided for by a resolution adopted by the Board of Supervisors of the County, acting in its capacity as the legislative body of the District (the “Legislative Body”), on _____, 2024, and a Bond Indenture executed in connection therewith dated as of September 1, 2024 (the “Indenture”), by and between the District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the Owner of this Bond assents to said terms and conditions. The Indenture is adopted under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of, premium, if any, and interest on this Bond are payable solely from the portion of the annual special taxes authorized under the Act to be levied and collected within Improvement Area No. 2 of the District (the “Special Taxes”) and certain other amounts pledged to the repayment of the Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Net Taxes pledged and collected or foreclosure proceeds received following a default in payment of the Special Taxes and other amounts deposited to the Special Tax Fund (other than the Administrative Expense Account therein) established under the Indenture, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The District has covenanted for the benefit of the owners of the Bonds that under certain circumstances described in the Indenture it will commence and diligently pursue to completion appropriate foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bonds.

The Bonds may be redeemed at the option of the District from any source of funds on any date on or after September 1, 20__, in whole or in part, from such maturities as are selected by the

District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

<i>Redemption Date</i>	<i>Redemption Price</i>
	%

The Bonds maturing on September 1, 20__ (the “20__ Term Bonds”) shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

<i>Sinking Fund Redemption Date (September 1)</i>	<i>Sinking Fund Payments</i>
	\$

*

* Maturity.

The Bonds maturing on September 1, 20__ (the “20__ Term Bonds”) shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

<i>Sinking Fund Redemption Date (September 1)</i>	<i>Sinking Fund Payments</i>
	\$

*

* Maturity.

The Bonds are subject to special mandatory redemption as a whole, or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after March 1, 2025, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account plus amounts transferred from the Reserve Account in connection with such transfers, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

Redemption Date

Redemption Price

%

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 45 days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the registration books; provided, however, so long as the Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. Neither a failure of the Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date, provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the registered owners of such Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This Bond shall be registered in the name of the Owner hereof, as to both principal and interest, and the District and the Trustee may treat the Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Trustee shall not be required to register transfers or make exchanges of: (i) any Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed; or (ii) any Bonds chosen for redemption.

The rights and obligations of the District and of the registered owners of the Bonds may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Indenture.

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE COUNTY OR OF THE DISTRICT. NEITHER THE COUNTY NOR THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES,

OTHER THAN THE SPECIAL TAXES REFERENCED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE FROM THE PORTION OF THE SPECIAL TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) has caused this Bond to be dated the Dated Date, to be signed on behalf of the District by the Chair of the Board of Supervisors of the County by her facsimile signature and attested by the facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County.

Chair 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)

ATTEST:

Executive Officer-Clerk 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)

[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-defined Indenture.

Dated: September __, 2024

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

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth LLP, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Executive Officer-Clerk of the Board of
Supervisors

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto

whose tax identification number is _____,
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

attorney to transfer the same on the books of the Trustee with full power of substitution in the
premises.

Dated: _____

Signature guaranteed:

NOTE: Signature(s) must be guaranteed by an
eligible guarantor institution.

NOTE: The signatures(s) on this Assignment
must correspond with the name(s) as written on
the face of the within Bond in every particular
without alteration or enlargement or any change
whatsoever.

EXHIBIT B-1

FORM OF REQUISITION FOR DISBURSEMENT OF PROJECT COSTS

**§ _____
COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

U.S. Bank Trust Company, National Association (the “Trustee”), is hereby requested to pay from the _____ Facilities Account of the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) Acquisition and Construction Fund, established by the Bond Indenture, dated as of September 1, 2024, by and between the Trustee and County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “District”), the amount specified to the payee named below for payment of the Project Costs set forth in Attachment No. 1 hereto.

Payee:
Address:
Purpose:
Amount: \$

The amount is due and payable under purchase order, contract or other authorization and has not formed the basis of any prior request for payment. The conditions for the release of this amount from the _____ Facilities Account, including those conditions in Section 3.9(b) of the Indenture have been satisfied.

There has not been filed with nor served upon the District notice of any lien, right to lien or attachment upon, or stop notice or claim affecting the right to receive payment of the amount specified above which has not been released or will not be released simultaneously with the payment of such amount, other than materialmen’s or mechanic’s liens accruing by mere operation of law.

Dated: _____

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

By: _____
Name: _____
Title: _____

**[/PAR]
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

BOND PURCHASE AGREEMENT

[Pricing Date]

County of Los Angeles
Community Facilities District No. 2021-01
(Valencia-Facilities)
Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, California 90012

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, as underwriter (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “Community Facilities District”), which upon acceptance will be binding upon the Underwriter and the Community Facilities District. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Community Facilities District satisfying all of the obligations imposed upon it under this Purchase Agreement. This offer is made subject to the Community Facilities District’s acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 11:59 p.m., local time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Community Facilities District at any time prior to the acceptance hereof by the Community Facilities District. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Bond Indenture, dated as of August 1, 2024 (the “Indenture”), by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Community Facilities District and the Community Facilities District hereby agrees to sell to the Underwriter all (but not less than all) of the \$[/PAR] aggregate principal amount of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024 (the “Bonds”), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$_____ (being 100% of the aggregate principal

amount thereof, plus original issue premium of \$ _____ and less an Underwriter's discount of \$ _____).

2. The Bonds. The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Net Taxes and certain other funds pledged therefor as provided in, the Indenture, the Preliminary Official Statement (as hereinafter defined), and the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California (the "State")) (the "Community Facilities District Act"). The issuance of the Bonds has been duly authorized by the Board of Supervisors ("Board of Supervisors") of the County of Los Angeles (the "County"), as the legislative body for the Community Facilities District, pursuant to a resolution adopted on August 6, 2024 (the "Community Facilities District Resolution of Issuance").

The proceeds of the Bonds will be used to (i) finance certain public improvements needed with respect to the development of property located within the Community Facilities District; (ii) fund a reserve account for the Bonds; (iii) fund capitalized interest on the Bonds through September 1, 2025; and (iv) pay costs of issuance for the Bonds

3. Public Offering and Establishment of Issue Price.

A. The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds subject to this Section 3, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds will be offered and sold to certain dealers at prices lower than such initial offering prices.

The Community Facilities District hereby acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations, warranties and agreements made by the Community Facilities District herein, and the Community Facilities District shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation, warranty or agreement made by the Community Facilities District herein is incorrect in any material respect.

The Community Facilities District acknowledges and agrees that with respect to the transaction contemplated hereby: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended; (ii) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Community Facilities District and the Underwriter and the Underwriter has financial and other interests that differ from those of the Community Facilities District; (iii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Community Facilities District and has not assumed any advisory or fiduciary responsibility to the Community Facilities District (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Community Facilities District on other matters); (iv) the only obligations the Underwriter has to the Community Facilities District with respect to the transaction contemplated hereby are expressly set forth in this Purchase Agreement; and (v) the Community Facilities District has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed

appropriate. The Community Facilities District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (“MSRB”). The Community Facilities District further acknowledges and represents that it has engaged Fieldman, Rolapp & Associates, Inc. (the “Municipal Advisor”) as its municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended, and will rely solely on the financial advice of the Municipal Advisor with respect to the Bonds.

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

C. Except as otherwise set forth in Exhibit A, the Community Facilities District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified under the column “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Community Facilities District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Community Facilities District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either: (i) the Underwriter has sold all of the Bonds of that maturity; or (ii), the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon the request of the Community Facilities District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. For clarity, and notwithstanding any other condition to Closing set forth in this Purchase Agreement, the sale of 10% of each maturity of the Bonds to the public prior to the Closing Date shall not be a condition to Closing.

D. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Community Facilities District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Community Facilities District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell

unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or
2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

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

E. The Underwriter confirms that:

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter; (B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public; and

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

F. The Community Facilities District acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing

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

G. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

1. “public” means any person other than an underwriter or a related party;

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

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

4. “sale date” means the date of execution of this Purchase Agreement by all parties.

4. The Official Statement.

A. Pursuant to the authorization of the Community Facilities District, the Underwriter has distributed copies of the Preliminary Official Statement dated [POS Date], relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the “Preliminary Official Statement.” By its acceptance of this Purchase Agreement, the Community Facilities District hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Community Facilities District agrees to execute a final official statement relating to the Bonds (the “Official Statement”) which will consist of the Preliminary Official Statement with

such changes as may be made thereto, with the approval of Stradling Yocca Carlson & Rauth LLP, as Bond Counsel (“Bond Counsel”), and as Disclosure Counsel (“Disclosure Counsel”), and the Underwriter, and to provide copies thereof to the Underwriter as set forth herein. The Community Facilities District hereby authorizes the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Community Facilities District further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Indenture, the Continuing Disclosure Certificate executed by the Community Facilities District in connection with the Bonds, in the form attached as Appendix G to the Official Statement (the “Continuing Disclosure Certificate”), this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement. This Purchase Agreement, the Indenture, the Bonds, the Continuing Disclosure Certificate and the hereinafter defined Acquisition Agreement are collectively referred to herein as the “Community Facilities District Documents.”

B. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”), the Community Facilities District will undertake pursuant to the Continuing Disclosure Certificate to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

5. Closing. Except as the Underwriter and the Community Facilities District may otherwise agree, the Community Facilities District will deliver to the Underwriter, at the offices of Bond Counsel in Newport Beach, California, or at such other location as may be mutually agreed upon by the Underwriter and the Community Facilities District, the documents hereinafter mentioned; and the Community Facilities District will deliver to the Underwriter through the facilities of The Depository Trust Company (“DTC”), the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Community Facilities District and authenticated by the Trustee in the manner provided for in the Indenture and the Community Facilities District Act at 8:30 a.m. California time, on [Closing Date] (the “Closing Date”), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the “Closing”). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC. The Bonds shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection.

6. Representations, Warranties and Covenants of the Community Facilities District. The Community Facilities District represents, warrants and covenants to the Underwriter on behalf of itself and the County that:

A. The County is a political subdivision of the State, duly organized and validly existing under the Constitution and laws of the State and has duly authorized the formation of the Community Facilities District, Improvement Area No. 2 of the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (“Improvement Area No. 2”), and the incurring of bonded indebtedness thereby pursuant to resolutions duly adopted by the Board of Supervisors (collectively, the “Community Facilities District Formation Resolutions” and, together with the Community Facilities District Resolution of Issuance, the “Community Facilities District

Resolutions”) and the Community Facilities District Act. The Board of Supervisors, as the legislative body of the County and the Community Facilities District, has duly adopted the Community Facilities District Formation Resolutions and an ordinance of the Board of Supervisors levying Special Taxes within Improvement Area No. 2 (the “Ordinance”), and has caused to be recorded in the real property records of the County, a notice of special tax lien, and any required amendments thereof (collectively, the “Notice of Special Tax Lien” and, together with the Community Facilities District Formation Resolutions and the Ordinance, the “Formation Documents”), and has duly adopted the Community Facilities District Resolution of Issuance. Each of its Formation Documents remains in full force and effect as of the date hereof and has not been amended or rescinded. The Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State. The Community Facilities District has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under the Community Facilities District Documents, and to carry out all transactions contemplated by each of such agreements; (ii) to issue, sell and deliver the Bonds as provided herein; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Acquisition, Funding and Disclosure Agreement dated as of June 1, 2022 (the “Acquisition Agreement”), between the County, the Community Facilities District and The Newhall Land and Farming Company (A California Limited Partnership), a California limited partnership (the “Master Developer”), the other Community Facilities District Documents and the Official Statement.

B. The Community Facilities District and the County, as applicable, have each complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the Community Facilities District Documents, and any immaterial noncompliance by the Community Facilities District and the County, if any, will not impair the ability of the Community Facilities District and the County, as applicable, to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the Community Facilities District Documents.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Community Facilities District, Improvement Area No. 2, the County and the Bonds (other than statements pertaining to the book-entry system, as to which no view is expressed), is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period, the Community Facilities District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Community Facilities District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term “End of the Underwriting Period” means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a

member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Community Facilities District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the “End of the Underwriting Period.”

E. Except as described in the Preliminary Official Statement, the Community Facilities District is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance of its obligations under the Community Facilities District Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement.

F. Except as may be required under the “blue sky” or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations under the Community Facilities District Documents, and the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

G. The Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement.

H. The Bonds are payable from the Net Taxes of Improvement Area No. 2, as set forth in the Indenture, the levy of which has been duly and validly authorized pursuant to the Community Facilities District Act and the Special Taxes within the Improvement Area No. 2 will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Bonds when due and payable, all as provided in the Indenture. The Community Facilities District has covenanted to cause the Special Taxes to be levied and collected at the same time and in the same manner as ordinary *ad valorem* property taxes or in such other manner as the Board of Supervisors shall determine.

I. The Indenture creates a valid first pledge of and lien on the Net Taxes, and other amounts in the Special Tax Fund (exclusive of the Administrative Expense Account), including

the Reserve Account therein (the “Reserve Account”), established pursuant to the Indenture, on the terms and conditions set forth in the Indenture.

J. Except as disclosed in the Preliminary Official Statement, there are, to the best of the Community Facilities District’s knowledge, no entities with outstanding assessment liens against any of the properties within Improvement Area No. 2 or which are senior to or on a parity with the Special Taxes of Improvement Area No. 2.

K. The information contained in the Preliminary Official Statement and in the Official Statement (other than statements therein pertaining to the DTC and its book-entry system, as to which no view is expressed) is true and correct in all material respects and such information does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

L. The Preliminary Official Statement was deemed final by a duly authorized officer of the Community Facilities District prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Community Facilities District hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Community Facilities District shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with Rule 15c2-12, rules of the MSRB and to meet potential customer requests for copies of the Official Statement.

M. At the time of acceptance hereof there is and as of the Closing there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an “Action”) pending (notice of which has been served on the County or the Community Facilities District) or to the best knowledge of the Community Facilities District or the County threatened, in which any such Action: (i) in any way questions the existence of the Community Facilities District or Improvement Area No. 2 or the titles of the officers of the Community Facilities District to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Taxes or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Community Facilities District Documents or the consummation of the transactions on the part of the Community Facilities District contemplated thereby; (iii) contests the exemption of interest on the Bonds from federal or State income taxation or contests the powers of the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and as of the time of acceptance hereof there is and, as of the Closing Date, there will be no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

N. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the Community Facilities District authorized to do so shall be deemed a representation and warranty by the Community Facilities District to the Underwriter on behalf of itself and the Community Facilities District as to the statements made therein.

O. At or prior to the Closing, the Community Facilities District will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as Appendix F to the Official Statement. Based upon a review of its previous undertakings, and except as disclosed in the Preliminary Official Statement, the County and its related entities, including the Community Facilities District, have not failed to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events in the last five years.

P. The Community Facilities District will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Preliminary Official Statement and Official Statement.

Q. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Community Facilities District will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture.

R. Between the date of this Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

S. The County, on behalf of the Community Facilities District, has adopted local debt policies in accordance with Section 8855(i) of the California Government Code.

The Community Facilities District hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The Community Facilities District hereby ratifies any prior use of and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, this Purchase Agreement and all information contained herein, and all other documents, certificates and written statements furnished by the County or the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the Community Facilities District shall constitute a representation by the Community Facilities District to the Underwriter that the representations and warranties contained in this Section 6 with respect to the Community Facilities District and the County are true as of the date hereof.

7. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the

Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the Community Facilities District contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the Community Facilities District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Community Facilities District of their obligations to be performed hereunder at or prior to the Closing Date, and in reliance upon the representations and covenants of the Master Developer, Lennar Homes of California, LLC, a California limited liability company (“Lennar Homes”), KB HOME Greater Los Angeles Inc., a California corporation (“KB”), Tri Pointe Homes Holdings, Inc., a Delaware corporation (“Tri Pointe Homes”), and Richmond American Homes of Maryland, Inc., a Maryland corporation (“Richmond” and together with Lennar Homes, KB, and Tri Pointe Homes, the “Merchant Builders”) contained in the certificate(s) delivered as of the Closing Date, and to the following additional conditions:

A. At the Closing Date, the Community Facilities District Resolutions and the Community Facilities District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as described in the Preliminary Official Statement, the County shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the County is a party or is otherwise subject or bound, and the performance of the conditions precedent to be performed hereunder will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the County is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement.

C. At the Closing Date, except as described in the Preliminary Official Statement, the Community Facilities District shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance of the conditions precedent to be performed hereunder will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the

Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance of the conditions precedent to be performed by the Community Facilities District hereunder.

D. At the Closing Date, except as described in the Preliminary Official Statement, the Community Facilities District shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance by the Community Facilities District of its obligations under the Bonds, the Community Facilities District Resolutions, the Community Facilities District Documents, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District hereunder.

E. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

F. Between the date hereof and the time for Closing, this Purchase Agreement shall have not been terminated by the Underwriter pursuant to Section 8 hereof.

G. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Community Facilities District by an authorized officer;

2. The Community Facilities District Documents, each duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

3. A certificate of the Clerk of the Board of Supervisors to the effect that the Community Facilities District Resolutions and the Formation Documents have not been amended, modified or rescinded since the date of their adoption and remain in full force and effect as of the Closing Date;

4. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Community Facilities District, of Bond Counsel, to the effect that the Bonds are the valid, legal and binding obligations of the Community Facilities District and that the interest thereon is excluded from gross income for federal income tax purposes and exempt from personal income taxes of the State, in substantially the form included as Appendix C to the Official Statement, together with a letter of Bond Counsel, dated the Closing Date and addressed to the Underwriter and the Trustee, to the effect that such opinion addressed to the Community Facilities District may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion was addressed to it;

5. A supplemental opinion or opinions of Bond Counsel dated the Closing Date and addressed to the Underwriter to the effect that:

(i) this Purchase Agreement and the Continuing Disclosure Certificate have been duly executed and delivered by the Community Facilities District and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid and binding obligations of the Community Facilities District, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on legal remedies against public agencies in the State;

(ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(iii) the statements contained in the Official Statement under the captions "INTRODUCTION – Source of Payment for the Bonds," "INTRODUCTION – Description of the Bonds," "INTRODUCTION – Tax Exemption," "INTRODUCTION – Parity Bonds for Refunding Purposes Only," "THE BONDS," "SOURCES OF PAYMENT FOR THE BONDS," (except information under the caption "– Special Taxes" as to which no opinion is expressed), "TAX EXEMPTION," Appendix C – "FORM OF OPINION OF BOND COUNSEL" and Appendix E – "SUMMARY OF THE INDENTURE," excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Indenture and Bond Counsel's final approving opinion, are accurate in all material respects.

6. A letter, dated the Closing Date and addressed to the Underwriter, of Disclosure Counsel, to the effect that such counsel is not passing upon and has not undertaken to determine independently or to verify the accuracy or completeness of the statements contained in the Preliminary Official Statement or in the Official Statement, and is, therefore, unable to make any representation to the Underwriter in that regard, but on the basis of its participation in conferences with representatives of the County, the County Counsel, as issuer's counsel, Bond Counsel, the appraisal of the taxable properties within Improvement Area No. 2 with a date of value as of May 13, 2024 (the "Appraisal Report") prepared by Integra Realty Resources (the "Appraiser"), David Taussig and Associates, Inc. dba DTA (the "Special Tax Consultant"), Empire Economics, Inc., the Municipal Advisor, representatives of the Underwriter and others, during which conferences the content of the Preliminary Official Statement and the Official Statement and related matters were discussed, and its examination of certain documents, and, in reliance thereon and based on the

information made available to it in its role as Disclosure Counsel and its understanding of applicable law, Disclosure Counsel advises the Underwriter as a matter of fact, but not opinion, that no information has come to the attention of the attorneys in the firm working on such matter which has led them to believe that the Preliminary Official Statement as of its date and the date hereof and the Official Statement as of its date and as of the Closing Date (in each case excluding therefrom the financial and statistical data, forecasts, charts, numbers, estimates, projections, assumptions and expressions of opinion included in the Preliminary Official Statement and the Official Statement, information regarding DTC and its book entry system and the information set forth in Appendices A, B, C, D, E, F, G and H, as to all of which no opinion is expressed) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

7. A certificate dated the Closing Date and signed by an authorized representative of the Community Facilities District or an authorized designee, on behalf of the Community Facilities District to the effect that: (i) the representations and warranties made by the Community Facilities District contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) the Community Facilities District Documents have been duly authorized and executed and are in full force and effect; (iii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be satisfied under this Purchase Agreement, the Community Facilities District Resolutions, the Community Facilities District Documents and the Official Statement at or prior to the Closing Date; and (iv) all information in the Official Statement relating to the Community Facilities District (other than information therein provided by the Special Tax Consultant) is true and correct in all material respects as of the date of the Official Statement and as of the Closing Date;

8. An opinion of County Counsel, as counsel to the Community Facilities District, dated the date of Closing and addressed to the Underwriter, the Trustee and the Community Facilities District, substantially in the form attached hereto as Exhibit D;

9. A certificate dated the Closing Date from the Appraiser addressed to the Community Facilities District and the Underwriter substantially to the effect that (i) the assumptions made in the Appraisal Report are reasonable; (ii) the Appraisal Report fairly and accurately described, as of the stated date of value, the market values of the properties in the Improvement Area No. 2 that are subject to the Special Taxes; (iii) the Appraiser is not aware of any event or act which occurred since the date of the Appraisal Report which, in its opinion, would materially and adversely affect the conclusions as to the market value of the appraised property in Improvement Area No. 2; (iv) the Appraiser consents to the reproduction of the Appraisal Report as Appendix D to the Preliminary Official Statement and the final Official Statement, each with respect to the Bonds, and to the references to the Appraiser and the Appraisal Report made in the Preliminary Official Statement and the Official Statement; (v) the Appraisal Report complies with the Appraisal Standards for Land-Secured Financings issued by the California Debt and Investment Advisory Commission dated July, 2004; (vi) a true and correct copy of the Appraisal Report is attached as Appendix D to the Preliminary Official Statement and the Official Statement; (vii) neither the Appraisal Report nor the information in the Preliminary Official Statement or the Official Statement referring to it contains any untrue statement of a material fact or omits to state a material

fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and (viii) no events or occurrences have been ascertained by the Appraiser or have come to the Appraiser's attention that, in the Appraiser's opinion, would substantially and adversely impact the estimated market values of the properties in the Community Facilities District that are subject to the Special Taxes set forth in the Appraisal Report;

10. A certificate dated the Closing Date from the Special Tax Consultant addressed to the Community Facilities District and the Underwriter to the effect that: (i) the Special Taxes, if levied and collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Tax for Improvement Area No. 2, as of the Closing Date, would generate at least 110% of the annual debt service payable with respect to the Bonds plus the Administrative Expenses Cap, based on such assumptions and qualifications as shall be acceptable to the Underwriter; (ii) the statements in the Preliminary Official Statement and the Official Statement provided by the Special Taxes Consultant concerning the Special Taxes and all information supplied by it for use in the Official Statement were as of the date of the Preliminary Official Statement, the date of the Official Statement and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) all information supplied by the Special Tax Consultant to the Appraiser is true and correct as of the date of the Preliminary Official Statement and the date of the Official Statement and as of the Closing Date, based on such assumptions as may have been supplied by it; and (iv) the information contained in the Appraisal Report with respect to taxes and tax rates applicable, and projected to be applicable, to the property in Improvement Area No. 2 is consistent with such information provided by the Special Tax Consultant to the Appraiser, which information so provided was based on information obtained by the Special Tax Consultant from the Community Facilities District, the Master Developer, the Merchant Builders and the County;

11. Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution of the Indenture and the authentication of the Bonds;

12. A certificate of the Trustee, addressed to the Underwriter, and the Community Facilities District dated the Closing Date, to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (b) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the Indenture; (c) when delivered to and paid for by the Underwriter at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (d) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note,

resolution, agreement or other instrument, except as provided by the Indenture; and (e) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriter;

13. An opinion of counsel to the Trustee dated the Closing Date, addressed to the Underwriter, and the Community Facilities District to the effect that (i) the Trustee is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization and has the corporate power to execute and deliver the Indenture, (ii) the execution and delivery by the Trustee of the Indenture, and its performance of its obligations under the Indenture, have been and are as of the date hereof duly authorized by all necessary corporate action, (iii) no approval, authorization or other action by, or filing with, any governmental body or regulatory authority (which has not been obtained) is required in connection with the due execution, delivery and performance by the Trustee of the Indenture, (iv) the Indenture has been duly executed and delivered and constitutes the valid and legally binding obligation of the Trustee enforceable against it in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law), and (v) the Bonds have been duly authenticated and delivered by the Trustee;

14. A certificate of the Community Facilities District dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

15. The Continuing Disclosure Certificate executed and delivered by the Community Facilities District, and the Continuing Disclosure Certificate dated the Closing Date (the "Lennar Homes Continuing Disclosure Certificate"), executed and delivered by Lennar Homes, substantially in the form attached as Appendix G to the Official Statement;

16. An opinion of counsel Lennar, addressed to the Underwriter and the Community Facilities District, dated the date of the Closing, to the effect that the Lennar Homes Continuing Disclosure Certificate has been duly authorized, executed and delivered by Lennar Homes, and otherwise in form and substance acceptable to the Underwriter and Bond Counsel;

17. Negative assurance letters from counsel to the Master Developer and the Merchant Builders, addressed to the Underwriter and the Community Facilities District, dated the date of the Closing, in form and substance acceptable to the Underwriter and Bond Counsel;

18. (i) A Letter of Representations from the Master Developer dated the date of printing the Preliminary Official Statement, substantially in the form attached hereto as Exhibit B-1; (ii) a Letter of Representations from each Merchant Builder dated the date of printing the Preliminary Official Statement, substantially in the form attached hereto as Exhibit B-2 ; and (iii) a Letter of Representations from each of AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership (“AG CA 2”), AG EHC II (LEN) CA 3, L.P., a Delaware limited partnership (“AG CA 3”), and VALENCIA C4A & C5A – NEWHALL, L.P., a Delaware limited partnership (the “Tri Pointe Landbank”) dated the date of printing the Preliminary Official Statement, substantially in the form attached hereto as Exhibit B-3;

19. (i) A Closing Certificate from the Master Developer dated the Closing Date, substantially in the form attached hereto as Exhibit C-1 or as such Closing Certificate may be modified with the approval of the Underwriter and Disclosure Counsel; (ii) a Closing Certificate from each Merchant Builder dated the Closing Date, substantially in the form attached hereto as Exhibit C-2 or as such Closing Certificate may be modified with the approval of the Underwriter and Disclosure Counsel; and (iii) a Closing Certificate from each of AG CA 2, AG CA 3 and the Tri Pointe Landbank dated the Closing Date, substantially in the form attached hereto as Exhibit C-3 or as such Closing Certificate may be modified with the approval of the Underwriter and Disclosure Counsel;

20. An opinion of Anzel Galvan LLP, San Francisco, California, counsel to the Underwriter, dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

21. A copy of the Community Facilities District’s executed Blanket Letter of Representation to DTC;

22. A certificate dated the Closing Date from Empire Economics, Inc. addressed to the Community Facilities District and the Underwriter to the effect that the statements in the Preliminary Official Statement and the Official Statement provided by Empire Economics, Inc. and all information supplied by it for use in the Preliminary Official Statement and the Official Statement were as of the respective dates of the Preliminary Official Statement and the Official Statement and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

23. A copy of the Blue Sky Survey with respect to the Bonds; and

24. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations and warranties of the Community Facilities District contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District in connection with the transactions contemplated hereby and by the Indenture and the Official Statement.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Agreement will be deemed to be in compliance with the provisions of this Purchase

Agreement if, but only if, they are in form and substance satisfactory to the Underwriter. If the Community Facilities District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Community Facilities District nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Community Facilities District set forth in Section 9 hereof shall continue in full force and effect.

8. Termination Events. In recognition of the desire of the Community Facilities District and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the discretion of the Underwriter by notification, in writing, to the Community Facilities District prior to delivery of and payment for the Bonds, if between the date hereof and the time of Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

A. the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

1. legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds;

2. there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

3. a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of U.S. Securities and Exchange Commission ("SEC") or any other governmental authority having jurisdiction; or

4. legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other

governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Securities, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

5. except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Community Facilities District shall have occurred; or

6. any rating of the Bonds or the rating of any obligations of the Community Facilities District payable from Special Taxes shall have been downgraded, withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

B. any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Community Facilities District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

C. a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

D. a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

E. any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

F. a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939; or

G. the commencement of one or more Actions.

Subject to Section 9, upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the Community Facilities District and the Underwriter under this Purchase Agreement shall terminate, without further liability.

9. Expenses. Whether or not the Bonds are sold to the Underwriter as set forth herein:

A. The Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the Community Facilities District hereunder. If the Bonds are delivered by the Community Facilities District, the Community Facilities District shall pay, from the proceeds of the Bonds or from other funds of the Community Facilities District, the following expenses: (a) the cost of preparing, duplicating or printing, mailing and delivering the Community Facilities District Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof); (b) the cost of preparation and printing of the definitive Bonds; (c) the fees and expenses of the Community Facilities District, the Trustee, Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Special Tax Consultant, the Appraiser, any entity performing continuing disclosure compliance research or providing continuing disclosure compliance reports and any other experts or consultants retained by the Community Facilities District; (d) the charges of any rating agency with respect to the Bonds; (e) reimbursement to the Underwriter for payment of any fees and expenses reasonably incurred in connection with the initial offering, sale and delivery of the Bonds, including but not limited to industry fees (e.g., DTC, DAC, IPREO, CUSIP and Day Loan fees) only if the Community Facilities District and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of the personnel of the Community Facilities District, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section 9, and (f) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the Community Facilities District Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof) and/or the initial offering, sale and delivery of the Bonds. The Community Facilities District has authorized, and does hereby authorize, the Underwriter to pay such expenses on behalf of the Community Facilities District from proceeds of the Bonds at Closing as further described in the closing memorandum relating to the Bonds.

B. If the Bonds are sold to the Underwriter by the Community Facilities District, the Community Facilities District shall pay out of the proceeds of the Bonds the discount of the Underwriter or the purchase price paid for the Bonds shall reflect such discount.

Except as otherwise provided in this Section 9, the Underwriter shall pay the cost, if any, of qualifying the Bonds for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, not described above.

10. Use of Documents. The Community Facilities District hereby authorizes the Underwriter to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Community Facilities District Documents, and the information contained herein and therein.

11. Qualification of Bonds. The Community Facilities District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter

as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; *provided, however*, that the Community Facilities District will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

12. Notices. Any notice or other communication to be given to the Community Facilities District under this Purchase Agreement may be given by delivering the same in writing to the County of Los Angeles, Kenneth Hahn Hall of Administration, 500 W. Temple Street, Los Angeles, California 90012, Attention: Treasurer and Tax Collector, Public Finance Division; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 2121 Avenue of the Stars, Suite 2150, Los Angeles, California 90067, Attention: Jake Campos.

13. Benefit. This Purchase Agreement is made solely for the benefit of the Community Facilities District and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Community Facilities District contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement.

14. Survival of Representations and Warranties. The representations and warranties of the Community Facilities District under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Community Facilities District and regardless of delivery of and payment for the Bonds.

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

16. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

17. No Prior Agreements. This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

18. Waiver of Jury Trial. THE COMMUNITY FACILITIES DISTRICT HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

19. Governing Law. This Purchase Agreement shall be governed by the laws of the State.

20. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Its: Managing Director

APPROVED AS TO FORM

DAWYN R. HARRISON
County Counsel

By: _____
Senior Deputy County Counsel

The foregoing is hereby agreed to and
accepted as of the date first above written:

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

By: _____
ELIZABETH BUENROSTRO GINSBERG
Treasurer and Tax Collector
of the County of Los Angeles

Time of Execution: _____ California time

EXHIBIT A

**COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

MATURITY SCHEDULE

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Used</u>	<u>10% Test Met</u>	<u>Hold-The- Offering- Price Used</u>
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T: Term Bond.

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

REDEMPTION PROVISIONS

Optional Redemption. The Bonds may be redeemed at the option of the Community Facilities District from any source of funds on any date on or after September 1, 20__, in whole or in part, from such maturities as are selected by the Community Facilities District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 20__ through and including August 31, 20__	103%
September 1, 20__ through and including August 31, 20__	102
September 1, 20__ through and including August 31, 20__	101
September 1, 20__ and any date thereafter	100

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the “20__ Term Bonds”) will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

***Sinking Fund Redemption Date
(September 1)***

Sinking Fund Payments

\$

*

* Maturity.

The Bonds maturing on September 1, 20__ (the “20__ Term Bonds”) will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

***Sinking Fund Redemption Date
(September 1)***

Sinking Fund Payments

\$

*

* Maturity.

Special Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to special mandatory redemption as a whole or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after March 1, 2025, and will be redeemed by the Trustee, from any amounts paid by the Community Facilities District to the Trustee and designated by the Community Facilities District as a prepayment of Special Taxes for one or more parcels in Improvement Area No. 2 made in accordance with the Rate and Method (the “Prepayments”) deposited to the Redemption Account pursuant to the Indenture, plus amounts transferred from the Reserve Account pursuant to the Indenture, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Any Interest Payment Date from March 1, 2025 through March 1, 20__	103%
September 1, 203__ and March 1, 20__	102
September 1, 203__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

EXHIBIT B-1

FORM OF MASTER DEVELOPER LETTER OF REPRESENTATIONS

**COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

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

[POS Date]

County of Los Angeles Community Facilities District
No. 2021-01 (Valencia-Facilities)
Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, California 90012

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024 (the “**Bonds**”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “**Bond Purchase Agreement**”). This Letter of Representations of The Newhall Land and Farming Company (A California Limited Partnership) (the “**Letter of Representations**”) is delivered pursuant to and in satisfaction of Section 7(G)(18) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Bond Purchase Agreement.

The Newhall Land and Farming Company (A California Limited Partnership), a California limited partnership (the “**Master Developer**”), certifies that the undersigned are authorized officers or representatives of the Master Developer and that they are familiar with the facts herein certified, as follows:

1. As set forth in the Preliminary Official Statement, the Master Developer is the master developer of the Valencia Project (as defined in the Preliminary Official Statement) and has conveyed all of the property (the “**Property**”) within Improvement Area No. 2 of the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (“**Improvement Area No. 2**”) of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the

“**Community Facilities District**”) planned for residential development to five different builders (collectively, the “**Merchant Builders**”). The Master Developer makes the representations herein with respect to all the Property.

2. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Master Developer (with proper service of process to the Master Developer having been accomplished) or, to the Actual Knowledge of the Master Developer,¹ is pending against any current Affiliate² (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Master Developer is threatened in writing against the Master Developer or any such Affiliate (a) to restrain or enjoin the collection of special taxes levied on the Property by the Community Facilities District (the “**Special Taxes**”) or other sums pledged or to be pledged to pay the principal of and interest on the Bonds (e.g., the reserve fund established under the Indenture (herein, the “**Reserve Account**”)), (b) to restrain or enjoin the development of the Property as described in the Preliminary Official Statement, or (c) in any way contesting or affecting the validity of the Special Taxes.

3. As of the date of the Preliminary Official Statement, to the Actual Knowledge of the Master Developer, the information contained therein solely with respect to the Master Developer, its Affiliates, the status of environmental approvals for the Property, the status of subdivision maps of the Property, the status of construction of the backbone infrastructure for Improvement Area No. 2 and related information, the sales by the Master Developer of the Property to the Merchant Builders, the proposed development of the Property, and the ownership of the Property as set forth under the sections of the Preliminary Official Statement captioned “INTRODUCTION – The District and Improvement Area No. 2 – General” (as to the first paragraph and the first two sentences of the second paragraph only), “THE DISTRICT AND IMPROVEMENT AREA NO. 2 – General Description of the District and Improvement Area No. 2” (as to the first paragraph, the first two sentences of the second paragraph, and the fourth, fifth, and sixth paragraphs only), “PROPERTY OWNERSHIP AND THE DEVELOPMENT – The Master Developer,” “PROPERTY OWNERSHIP AND THE DEVELOPMENT – The Valencia Project,” and “PROPERTY OWNERSHIP AND THE DEVELOPMENT – Improvement Area No. 2” (but in all cases under all captions excluding

¹ “**Actual Knowledge of the Master Developer**” means the actual (as opposed to constructive) knowledge that the individuals signing on behalf of the Master Developer currently have as of the date of this Letter of Representations or have obtained through (i) interviews with such current officers and responsible employees of the Master Developer and its Affiliates as the undersigned have determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned have reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned have not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Master Developer’s current business and operations. Individuals who are no longer employees of the Master Developer and its Affiliates have not been contacted.

² “**Affiliate**” means, with respect to the Master Developer, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Master Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds. “**Person**” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term “**control**” (including the terms “**controlling**,” “**controlled by**” or “**under common control with**”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

therefrom (i) information regarding the Appraisal Report (as hereinafter defined), market value ratios and annual special tax ratios, and (ii) information which is identified as having been provided by a source other than the Master Developer), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. To the Actual Knowledge of the Master Developer, other than as disclosed in the Preliminary Official Statement, the Master Developer is not aware that any of the Property has a current liability with respect to the presence of a substance presently classified as hazardous under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 or applicable California law or is adversely affected by the presence of endangered or threatened species or habitat for endangered or threatened species that would prevent the development of the Property as described in the Preliminary Official Statement.

5. The Master Developer covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Master Developer and its Affiliates which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District or Improvement Area No. 2, to challenge the adoption of the ordinance of the Community Facilities District levying Special Taxes within Improvement Area No. 2, to invalidate the Community Facilities District, Improvement Area No. 2 or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Master Developer or any Affiliate in any way from bringing any other action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the methodologies contained in the Rate and Method of Apportionment of Special Taxes pursuant to which Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes levied and collected, or (c) an action or suit to enforce the obligations of the County and/or the Community Facilities District under the Community Facilities District Resolutions, the Ordinance, the Indenture, or any other agreements among the Master Developer, an Affiliate, the County and/or the Community Facilities District or to which the Master Developer or an Affiliate is a party or beneficiary.

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

7. An appraisal of the taxable properties within Improvement Area No. 2, dated [June 13], 2024 (the “**Appraisal Report**”), was prepared by Integra Realty Resources (the “**Appraiser**”). The Appraisal Report estimates the market value of the taxable properties within Improvement Area No. 2 as of May 13, 2024 (the “**Date of Value**”). To the Actual Knowledge of the Master Developer, all information submitted by, or on behalf of and authorized by, the Master Developer to the Appraiser and contained in the sections of the Appraisal Report highlighted in yellow or circled in Exhibit A attached hereto, was true and correct in all material respects as of the Date of Value.

8. Solely as to the limited information described in the sections of the Preliminary Official Statement indicated in Paragraph 3 herein (and subject to the limitations and exclusions set forth in Paragraph 3), the Master Developer agrees to indemnify and hold harmless, to the extent permitted by law, the County, the Community Facilities District, and their officials and employees, and each Person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended (each, an “**Indemnified Party**” and, collectively, the “**Indemnified Parties**”), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity and shall reimburse any such Indemnified Party for any reasonable third-party legal fees or expenses incurred by it in connection with investigating any such claim against it and defending any such action, insofar as and solely to the extent such losses, claims, damages, liabilities or actions, or legal or other expenses, arise out of or are based upon any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact by the Master Developer in the above-referenced information in the Preliminary Official Statement, as of its date, necessary to make the statements made by the Master Developer contained therein, in light of the circumstances under which they were made not misleading. This indemnity provision shall not be construed as a limitation on any other liability which the Master Developer may otherwise have to any Indemnified Party, *provided* that in no event shall the Master Developer be obligated for double indemnification, or for the negligence or willful misconduct of an Indemnified Party.

If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Indemnified Party in respect of which indemnification may be sought pursuant to the above paragraph, such Indemnified Party shall promptly notify the Master Developer in writing; provided that the failure to notify the Master Developer shall not relieve it from any liability that it may have hereunder except to the extent that it has been prejudiced by such failure; and provided, further, that the failure to notify the Master Developer shall not relieve it from any liability that it may have to an Indemnified Party otherwise than under the above paragraph unless such liability was also conditioned upon such notice. If any such proceeding shall be brought or asserted against an Indemnified Party and it shall have notified the Master Developer thereof, the Master Developer shall retain counsel reasonably satisfactory to the Indemnified Party (who may be counsel to the Master Developer) and approved thereby to represent the Indemnified Party in such proceeding and shall pay the reasonable fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Master Developer and the Indemnified Party shall have mutually agreed (in writing) to the contrary; (ii) the Master Developer has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Party; or (iii) the named parties in any such proceeding (including any impleaded parties) include the Master Developer and the Indemnified Party and representation of both parties by the same counsel is determined by Master Developer's counsel to be impermissible under applicable California laws, rules or regulations due to an actual conflict of interest between them. It is understood and agreed that the Master Developer shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Parties, and that all such fees and expenses, to the extent reasonable, shall be paid or reimbursed as they are incurred. Any such separate firm shall be designated in writing by such Indemnified Parties. The Master Developer shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the

Master Developer agrees to indemnify each Indemnified Party from and against any loss or liability by reason of such settlement or judgment as set forth above. If the Master Developer shall, after receiving timely notice of a properly tendered indemnification obligation of the Master Developer and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to retain counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, for the account of and at the risk of, the Master Developer. The Master Developer shall not, without the written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is a party and indemnification could have been sought hereunder by such Indemnified Party, unless such settlement (x) includes an unconditional release of such Indemnified Party, in form and substance reasonably satisfactory to such Indemnified Party, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

9. If between the date hereof and the Closing Date any event relating to the information under the sections of the Preliminary Official Statement indicated in Paragraph 3 hereof (and subject to the limitations and exclusions contained in Paragraph 3 hereof) shall occur of which the Master Developer has actual knowledge which would cause such information to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Master Developer shall notify the County, the Community Facilities District and the Underwriter and if in the opinion of counsel to the County or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Master Developer shall reasonably cooperate with the County and the Community Facilities District in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the County, the Community Facilities District and to the Underwriter.

10. The Master Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit C-1 to the Bond Purchase Agreement. If any event related to or affecting the Master Developer, its Affiliates, or the information under the sections of the Preliminary Official Statement indicated in Paragraph 3 hereof (and subject to the limitations and exclusions contained in Paragraph 3 hereof) occurs, as a result of which it is necessary to modify the form of Closing Certificate, the Master Developer agrees to deliver at the time of issuance of the Bonds a new form of Closing Certificate revised to reflect such event.

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

The undersigned have executed this Letter of Representations solely in their capacity as authorized officers or representatives of the Master Developer and they will have no personal

liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Master Developer.

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: _____

Title: _____

By: _____

Name: _____

Title: _____

[EXECUTION PAGE OF THE LETTER OF REPRESENTATIONS]

EXHIBIT A

To

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

MASTER DEVELOPER PROVIDED INFORMATION IN APPRAISAL REPORT

See attached.

EXHIBIT B-2

FORM OF MERCHANT BUILDER LETTER OF REPRESENTATIONS

**COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

**LETTER OF REPRESENTATIONS OF
[INSERT NAME OF MERCHANT BUILDER]**

[POS Date]

County of Los Angeles Community Facilities District
No. 2021-01 (Valencia-Facilities)
Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, California 90012

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024 (the “**Bonds**”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “**Bond Purchase Agreement**”). This Letter of Representations of [Lennar Homes of California, LLC]/[KB HOME Greater Los Angeles Inc.]/[Tri Pointe Homes Holdings, Inc.]/[Richmond American Homes of Maryland, Inc.] (the “**Letter of Representations**”) is delivered pursuant to and in satisfaction of Section 7(G)(18) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Bond Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of [Lennar Homes of California, LLC, a California limited liability company]/[KB HOME Greater Los Angeles Inc., a California corporation]/[Tri Pointe Homes Holdings, Inc., a Delaware corporation]/[Richmond American Homes of Maryland, Inc., a Maryland corporation] (the “**Merchant Builder**”), and the undersigned, on behalf of the Merchant Builder, further certifies as follows:

1. The Merchant Builder is duly organized and validly existing under the laws of the State of _____ and has all requisite right, power and authority (i) to execute and deliver this Letter of Representations, and (ii) to develop its property in Improvement Area No. 2 (“**Improvement Area No. 2**”) of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities)

(the “**Community Facilities District**”) as described in the Preliminary Official Statement relating to the Bonds (the “**Preliminary Official Statement**”).

2. [FOR KB AND RICHMOND: As set forth in the Preliminary Official Statement, title to a certain portion of the property within Improvement Area No. 2 is held in the name of the Merchant Builder (herein, the “**Property**”). The undersigned, on behalf of the Merchant Builder, makes the representations herein with respect to all the Property. Except as otherwise described in the Preliminary Official Statement, the Merchant Builder’s current expectation is that the Merchant Builder shall remain the party responsible for the construction and sale of homes within the Property. Except as disclosed in the Preliminary Official Statement, the Merchant Builder has not entered into an agreement for development or management of the Property by any other entity, except such subcontracts, consultant agreements and similar agreements for land development activities associated with the Merchant Builder’s development plan as are entered into in the ordinary course of business.]

[FOR LENNAR AND TRI POINTE: As set forth in the Preliminary Official Statement, title to a certain portion of the property within Improvement Area No. 2 is held in the name of the Merchant Builder or is owned by, and is under option to the Merchant Builder to acquire from, [AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership and AG EHC II (LEN) CA 3, L.P., a Delaware limited partnership (collectively, the “Lennar Landbanks”)]/[VALENCIA C4A & C5A – NEWHALL, L.P., a Delaware limited partnership (the “Tri Pointe Landbank”)] (collectively, herein, the “**Property**”). The undersigned, on behalf of the Merchant Builder, makes the representations herein with respect to all the Property. Except as otherwise described in the Preliminary Official Statement, the Merchant Builder’s current expectation is that the Merchant Builder shall remain the party responsible for the construction and sale of homes within the Property. Except as disclosed in the Preliminary Official Statement with respect to the [Lennar Landbanks]/[Tri Pointe Landbank], the Merchant Builder has not entered into an agreement for development or management of the Property by any other entity, except such subcontracts, consultant agreements and similar agreements for land development activities associated with the Merchant Builder’s development plan as are entered into in the ordinary course of business.]

3. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Merchant Builder (with proper service of process to the Merchant Builder having been accomplished) or, to the Actual Knowledge of the Undersigned,¹ is pending against any current Relevant Entity² (with proper service of process to such Relevant Entity having

¹ “**Actual Knowledge of the Undersigned**” means, as of the date of this Letter of Representations, the actual (as opposed to constructive) knowledge that the individual signing on behalf of the Property Owner currently has or has obtained through (i) interviews with such current officers and responsible employees of the Property Owner and its Relevant Entities as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Property Owner’s current business and operations. Individuals who are no longer employees of the Property Owner and its Relevant Entities have not been contacted.

² “**Relevant Entity**” means, with respect to the Property Owner, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Property Owner, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their

been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Merchant Builder or any such Relevant Entity (a) to restrain or enjoin the collection of special taxes levied on the Property by the Community Facilities District (the “**Special Taxes**”) or other sums pledged or to be pledged to pay the principal of and interest on the Bonds (e.g., the reserve fund established under the Indenture (herein, the “**Reserve Account**”), (b) to restrain or enjoin the development of the Property as described in the Preliminary Official Statement, [For Lennar Only: (c) to materially adversely affect the ability of the Merchant Builder to perform its obligations under the Continuing Disclosure Certificate (as hereinafter defined)], (d) in any way contesting or affecting the validity of the Special Taxes, or (e) which is reasonably likely to materially and adversely affect the Merchant Builder’s ability to develop and sell the Property as described in the Preliminary Official Statement or to pay the Special Taxes due with respect to the Property (to the extent the responsibility of the Merchant Builder) prior to delinquency.

4. As of the date of the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the information contained therein solely with respect to the Merchant Builder, its Relevant Entities, the proposed development of the Property, ownership of the Property, the Merchant Builder’s development plan, the Merchant Builder’s financing plan, the Merchant Builder’s lenders, if any, [and] contractual arrangements of the Merchant Builder or any Relevant Entities (including, if material to the Merchant Builder’s development plan or the Merchant Builder’s financing plan, loans of such Relevant Entities) [For Lennar Only: and the Merchant Builder’s compliance with its continuing disclosure undertakings] as set forth under the sections of the Preliminary Official Statement captioned “PROPERTY OWNERSHIP AND THE DEVELOPMENT – Merchant Builder Ownership of Improvement Area No. 2” [and “– Lennar Homes Development”]/[“– KB Development,”]/[and “– Tri Pointe Development”]/[and “– Richmond American Development”] [For Lennar Only: and “CONTINUING DISCLOSURE – Lennar Continuing Disclosure”] (but in all cases under all captions excluding therefrom (i) information regarding appraised or assessed values, including the Appraisal Report (as hereinafter defined), market value ratios and annual special tax ratios, and (ii) information which is identified as having been provided by a source other than the Merchant Builder), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. Except as described in the Preliminary Official Statement, there are no material loans outstanding and unpaid and no material lines of credit of the Merchant Builder or its Relevant Entities, that are secured by an interest in the Property. Neither the Merchant Builder nor, to the Actual Knowledge of the Undersigned, any of its Relevant Entities is currently in material default on any loans, lines of credit or other obligation related to the development of the Property or any other

evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information relevant to (a) the Property Owner’s development plans with respect to the Property and ability to pay its Special Taxes on the Property (to the extent the responsibility of the Property Owner) prior to delinquency, or (b)] such Person’s assets or funds that would materially affect the Property Owner’s ability to develop the Property as described in the Preliminary Official Statement or to pay its Special Taxes on the Property (to the extent the responsibility of Merchant Builder) prior to delinquency). “**Person**” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term “**control**” (including the terms “**controlling**,” “**controlled by**” or “**under common control with**”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. [For Lennar: The Lennar Landbanks are not Relevant Entities of the Merchant Builder.]/[For Tri Pointe: The Tri Pointe Landbank is not a Relevant Entity of the Merchant Builder.]

project which default is reasonably likely to materially and adversely affect the Merchant Builder's ability to develop the Property as described in the Preliminary Official Statement or to pay the Special Taxes due with respect to the Property (to the extent the responsibility of the Merchant Builder) prior to delinquency.

6. To the Actual Knowledge of the Undersigned, other than as disclosed in the Preliminary Official Statement, the Merchant Builder is not aware that any of the Property has a current liability with respect to the presence of a substance presently classified as hazardous under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 or applicable California law or is adversely affected by the presence of endangered or threatened species or habitat for endangered or threatened species.

7. The Merchant Builder covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Merchant Builder and its Relevant Entities which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District or Improvement Area No. 2, to challenge the adoption of the ordinance of the Community Facilities District levying Special Taxes within Improvement Area No. 2, to invalidate the Community Facilities District, Improvement Area No. 2 or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Merchant Builder or any Relevant Entity in any way from bringing any other action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the methodologies contained in the Rate and Method of Apportionment of Special Taxes pursuant to which Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes levied and collected or (c) an action or suit to enforce the obligations of the County and/or the Community Facilities District under the Community Facilities District Resolutions, the Ordinance, the Indenture, or any other agreements among the Merchant Builder, a Relevant Entity, the County and/or the Community Facilities District or to which the Merchant Builder or a Relevant Entity is a party or beneficiary.

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

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

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

11. [FOR LENNAR ONLY: The Merchant Builder agrees to execute at Closing the Continuing Disclosure Certificate, substantially in the form attached as Appendix G to the Preliminary Official Statement (the “**Continuing Disclosure Certificate**”), with such additional changes as may be agreed to by the Merchant Builder and the Underwriter. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Merchant Builder is not aware of any material failures by it or any entity under managerial control of the Merchant Builder to comply in all material respects with previous continuing disclosure undertakings in a written certificate or agreement executed by it or an entity under the managerial control of the Merchant Builder to provide periodic continuing disclosure reports or notices of material events respecting securities offerings in California within the past five years.]

12. [FOR LENNAR ONLY: To the Actual Knowledge of the Undersigned, execution and delivery of the Continuing Disclosure Certificate, and the performance by the Merchant Builder of its obligations under the Continuing Disclosure Certificate, will not conflict with or constitute a breach of or default under any loans, lines of credit, agreements, or other contractual or financial obligations of the Merchant Builder, or any applicable law, regulation, judgment or decree.]

13. To the Actual Knowledge of the Undersigned, Relevant Entities of the Merchant Builder are able to pay their bills as they become due and no legal proceedings are pending against any Relevant Entity of the Merchant Builder (with proper service of process having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Relevant Entities of the Merchant Builder may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debt or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation which is reasonably likely to have a materially adverse impact on the ability of the Merchant Builder to develop the Property as described in the Preliminary Official Statement [FOR Lennar only:., to perform its obligations under the Continuing Disclosure Certificate,] or to pay the Special Taxes or ad valorem tax obligations with respect to the portion of the Property then owned by the Merchant Builder (to the extent the responsibility of the Merchant Builder) prior to delinquency.

14. It is likely that the Merchant Builder and its Relevant Entities have been delinquent at one time or another in the payment of ad valorem property taxes, special assessments or special taxes. However, to the Actual Knowledge of the Undersigned, during the last five years, neither the Merchant Builder nor any current Relevant Entity has, during the period of its ownership, been delinquent to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property included within the boundaries of a community facilities district or an assessment district in California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being commenced in a court of law against the Merchant Builder or such Relevant Entity.

15. The Merchant Builder has not filed for the reassessment of the assessed value of any portions of the Property, other than in connection with the sale of homes to individual homebuyers.

16. An appraisal of the taxable properties within Improvement Area No. 2, dated [June 13], 2024 (the “**Appraisal Report**”), was prepared by Integra Realty Resources (the “**Appraiser**”). The Appraisal Report estimates the market value of the taxable properties within Improvement Area No. 2 as of May 13, 2024 (the “**Date of Value**”). To the Actual Knowledge of the Merchant Builder, all information submitted by, or on behalf of and authorized by, the Merchant Builder to the

Appraiser and contained in the sections of the Appraisal Report highlighted in yellow or circled in Exhibit A attached hereto, was true and correct in all material respects as of the Date of Value.

17. To the Actual Knowledge of the Undersigned, there are no claims, disputes, suits, actions or contingent liabilities by and among the Merchant Builder, its Relevant Entities or any contractors working on the development of the Property which is reasonably likely to materially and adversely affect the Merchant Builder's development of the Property as described in the Preliminary Official Statement, [FOR LENNAR ONLY: the performance of its obligations under the Continuing Disclosure Certificate,] or the payment of the Special Taxes due with respect to the Property (to the extent the responsibility of the Merchant Builder) prior to delinquency.

18. Based upon the current development plans, including, without limitation, the current budget and subject to economic conditions and risks generally inherent in the development of real property, including, but not limited to, the risks described in the Preliminary Official Statement under the section entitled "SPECIAL RISK FACTORS," the Merchant Builder presently anticipates that it will have sufficient funds to develop the Property as described in the Preliminary Official Statement and to pay Special Taxes levied against the Property (to the extent the responsibility of the Merchant Builder) prior to delinquency and does not anticipate that the County or the Community Facilities District will be required to resort to a draw on the Reserve Account for payment of principal of or interest on the Bonds due to the Merchant Builder's nonpayment of Special Taxes. However, neither the Merchant Builder nor any of its Relevant Entities are obligated to make any additional capital contribution or loan to the Merchant Builder at any time, and the Merchant Builder reserves the right to change its development plans and financing plans for the Property at any time without notice and there is no recourse against the Merchant Builder for a failure to pay Special Taxes other than the filing of a foreclosure action against the delinquent Property.

19. Solely as to the limited information described in the sections of the Preliminary Official Statement indicated in Paragraph 4 herein (and subject to the limitations and exclusions set forth in Paragraph 4), the Merchant Builder agrees to indemnify and hold harmless, to the extent permitted by law, the County, the Community Facilities District, and their officials and employees, and each Person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended (each, an "**Indemnified Party**" and, collectively, the "**Indemnified Parties**"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity and shall reimburse any such Indemnified Party for any reasonable legal or other expense incurred by it in connection with investigating any such claim against it and defending any such action, insofar as and solely to the extent such losses, claims, damages, liabilities or actions, or legal or other expenses, arise out of or are based upon any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact by the Merchant Builder in the above-referenced information in the Preliminary Official Statement, as of its date, necessary to make the statements made by the Merchant Builder contained therein, in light of the circumstances under which they were made not misleading. This indemnity provision shall not be construed as a limitation on any other liability which the Merchant Builder may otherwise have to any Indemnified Party, *provided* that in no event shall the Merchant Builder be obligated for double indemnification, or for the negligence or willful misconduct of an Indemnified Party.

If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Indemnified Party in respect

of which indemnification may be sought pursuant to the above paragraph, such Indemnified Party shall promptly notify the Merchant Builder in writing; provided that the failure to notify the Merchant Builder shall not relieve it from any liability that it may have hereunder except to the extent that it has been materially prejudiced by such failure; and provided, further, that the failure to notify the Merchant Builder shall not relieve it from any liability that it may have to an Indemnified Party otherwise than under the above paragraph unless such liability was also conditioned upon such notice. If any such proceeding shall be brought or asserted against an Indemnified Party and it shall have notified the Merchant Builder thereof, the Merchant Builder shall retain counsel reasonably satisfactory to the Indemnified Party (who may be counsel to the Property Owner) and approved thereby to represent the Indemnified Party in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Merchant Builder and the Indemnified Party shall have mutually agreed to the contrary; (ii) the Merchant Builder has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Party; (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Merchant Builder such that a material conflict of interest exists for such counsel; or (iv) the named parties in any such proceeding (including any impleaded parties) include the Merchant Builder and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. It is understood and agreed that the Merchant Builder shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Parties, and that all such fees and expenses, to the extent reasonable, shall be paid or reimbursed as they are incurred. Any such separate firm shall be designated in writing by such Indemnified Parties. The Merchant Builder shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Merchant Builder agrees to indemnify each Indemnified Party from and against any loss or liability by reason of such settlement or judgment as set forth above. If the Merchant Builder shall, after receiving notice of the indemnification obligation of the Merchant Builder and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to retain counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of and at the risk of, the Merchant Builder. The Merchant Builder shall not, without the written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is a party and indemnification could have been sought hereunder by such Indemnified Party, unless such settlement (x) includes an unconditional release of such Indemnified Party, in form and substance reasonably satisfactory to such Indemnified Party, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

20. If between the date hereof and the Closing Date any event relating to or affecting the Merchant Builder, its Relevant Entities, the proposed development of the Property, ownership of the Property, the Merchant Builder's development plan, the Merchant Builder's financing plan, the Merchant Builder's lenders, if any, [and] contractual arrangements of the Merchant Builder or any Relevant Entities (including, if material to the Merchant Builder's development plan or the Merchant Builder's financing plan, loans of such Relevant Entities) [For Lennar Only: and the Merchant Builder's compliance with its continuing disclosure undertakings] shall occur of which the

undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof (and subject to the limitations and exclusions contained in Paragraph 4 hereof), to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Merchant Builder shall notify the County, the Community Facilities District and the Underwriter and if in the opinion of counsel to the County or the Underwriter such event requires the preparation of a supplement or amendment to the Preliminary Official Statement, the Merchant Builder shall reasonably cooperate with the County and the Community Facilities District in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the County, the Community Facilities District and to the Underwriter.

21. The Merchant Builder agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit C-2 to the Bond Purchase Agreement. If any event related to or affecting the Merchant Builder, its Relevant Entities, or the ownership, development, or sale of the Property occurs, as a result of which it is necessary to modify the form of Closing Certificate, the Merchant Builder agrees to deliver at the time of issuance of the Bonds a new form of Closing Certificate revised to reflect such event.

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

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of the Merchant Builder and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Merchant Builder.

[MERCHANT BUILDER]

By: _____

Name: _____

Title: _____

[EXECUTION PAGE OF LETTER OF REPRESENTATIONS OF [INSERT NAME OF
PROPERTY OWNER]]

EXHIBIT A

**To
LETTER OF REPRESENTATIONS
OF [INSERT NAME OF PROPERTY OWNER]**

MERCHANT BUILDER PROVIDED INFORMATION IN APPRAISAL REPORT

See attached.

EXHIBIT B-3

FORM OF LANDBANK LETTER OF REPRESENTATIONS

**COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

**LETTER OF REPRESENTATIONS OF
[INSERT NAME OF LANDBANK]**

[POS Date]

County of Los Angeles Community Facilities District
No. 2021-01 (Valencia-Facilities)
Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, California 90012

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Taxes Bonds, Series 2024 (the “**Bonds**”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “**Bond Purchase Agreement**”). This Letter of Representations ([INSERT NAME OF LANDBANK]) (the “**Letter of Representations**”) is delivered pursuant to and in satisfaction of Section 7(G)(18) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Bond Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of [INSERT NAME OF LANDBANK], a Delaware limited partnership (the “**Landbank**”), and the undersigned, on behalf of the Landbank, further certifies as follows:

1. The Landbank is a limited partnership validly existing and in good standing under the laws of the State of Delaware and has duly qualified to transact business in the State of California, and has all requisite right, power and authority to execute and deliver this Letter of Representations.

2. As set forth in the Preliminary Official Statement, title to a certain portion of the property within the Improvement Area No. 2 (“**Improvement Area No. 2**”) of County of Los

Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “**Community Facilities District**”) is held in the name of the Landbank (herein, the “**Landbank Property**”). The undersigned, on behalf of the Landbank, makes the representations herein with respect to all such Landbank Property. Except as disclosed in the Preliminary Official Statement, the Landbank has not entered into an agreement for the sale, development or management of the Landbank Property with any entity other than [Lennar Homes of California, LLC, a California limited liability company]/[Tri Pointe Homes Holdings, Inc., a Delaware corporation].

3. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Landbank (with proper service of process to the Landbank having been accomplished) or, to the Actual Knowledge of the Undersigned¹, is pending against any current Relevant Entity² (with proper service of process to such Relevant Entity having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Landbank, or any such Relevant Entity (a) to restrain or enjoin the collection of special taxes levied on the Landbank Property by the Community Facilities District (the “**Special Taxes**”) or other sums pledged or to be pledged to pay the principal of and interest on the Bonds (e.g., the reserve fund established under the Indenture (herein, the “**Reserve Fund**”)), (b) to restrain or enjoin the development of the Landbank Property as described in the Preliminary Official Statement, (c) in any way contesting or affecting the validity of the Special Taxes, or (d) which is reasonably likely to materially and adversely affect the Landbank’s ability to sell the Landbank Property as described in the Preliminary Official Statement or, if the Option Agreement is

¹ “**Actual Knowledge of the Undersigned**” means, as of the date of this Letter of Representations, the actual (as opposed to constructive) knowledge that the individual signing on behalf of the Landbank currently has or has obtained through (i) interviews with such current officers and responsible employees of the Landbank and its Relevant Entities as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Landbank’s current business and operations. Individuals who are no longer employees of the Landbank and its Relevant Entities have not been contacted.

² “**Relevant Entity**” means, with respect to the Landbank, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Landbank, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information relevant to (a) the Landbank’s development plans with respect to the Landbank Property and, if the Option Agreement is terminated, ability to pay its Special Taxes on the Landbank Property (to the extent the responsibility of the Landbank) prior to delinquency, or (b) such Person’s assets or funds that would materially affect the Landbank’s ability to develop the Landbank Property as described in the Preliminary Official Statement or, if the Option Agreement is terminated, to pay its Special Taxes on the Landbank Property (to the extent the responsibility of the Landbank)). “**Person**” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term “**control**” (including the terms “**controlling**,” “**controlled by**” or “**under common control with**”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

terminated, to pay the Special Taxes due with respect to the Landbank Property (to the extent the responsibility of the Landbank) prior to delinquency.

4. As of the date of the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the information contained therein solely with respect to the Landbank, current ownership of the Landbank Property, and contractual arrangements of the Landbank (including the Option and Development Agreement dated _____, between _____ and the Landbank (the "Option Agreement")) as set forth under the sections of the Preliminary Official Statement captioned ["PROPERTY OWNERSHIP AND THE DEVELOPMENT – Lennar Homes Development – *General Description of the Development and Landbank Structure*"/["PROPERTY OWNERSHIP AND THE DEVELOPMENT – Tri Pointe Development – *Option Agreement*"] is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

6. The Landbank covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Landbank and its Relevant Entities which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District or Improvement Area No. 2, to challenge the adoption of the ordinance of the Community Facilities District levying Special Taxes within Improvement Area No. 2, to invalidate the Community Facilities District, Improvement Area No. 2 or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Landbank in any way from bringing any other action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body including, without limitation, (a) an action or suit contending that the Special Taxes has not been levied in accordance with the methodologies contained in the Rate and Method of Apportionment of Special Taxes pursuant to which Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes levied and collected or (c) an action or suit to enforce the obligations of the County and/or the Community Facilities District under the Community Facilities District Resolutions, the Ordinance, the Indenture, or any other agreements among the Landbank, an Relevant Entity, the County and/or the Community Facilities District or to which the Landbank or a Relevant Entity is a party or beneficiary.

7. To the Actual Knowledge of the Undersigned, the Landbank is able to pay its bills as they become due and no legal proceedings are pending against the Landbank (with proper service

of process having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Landbank may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

8. To the Actual Knowledge of the Undersigned, during the last five years, neither the Landbank nor any current Relevant Entity has, during the period of its ownership, been delinquent to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property included within the boundaries of a community facilities district or an assessment district in California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being commenced in a court of law against the Landbank or such Relevant Entity.

9. If between the date hereof and the Closing Date any event relating to or affecting the Landbank, its Relevant Entities, ownership of the Landbank Property, and contractual arrangements of the Landbank or any Relevant Entities shall occur of which the undersigned has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof (and subject to the limitations and exclusions contained in Paragraph 4 hereof), to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Landbank shall notify the County, the Community Facilities District and the Underwriter and if in the opinion of counsel to the County or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Landbank shall reasonably cooperate with the County and the Community Facilities District in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the County, the Community Facilities District and to the Underwriter.

10. The Landbank agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit C-3 to the Bond Purchase Agreement. If any event related to or affecting the Landbank, its Relevant Entities, or the ownership, development, or sale of the Landbank Property occurs, as a result of which it is necessary to modify the form of Closing Certificate, the Landbank agrees to deliver at the time of issuance of the Bonds a new Closing Certificate revised to reflect such event.

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

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of the Landbank and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Landbank.

[INSERT SIGNATURE BLOCK]

[EXECUTION PAGE OF LETTER OF REPRESENTATIONS OF [INSERT NAME OF
LANDBANK]]

EXHIBIT C-1

FORM OF DEVELOPER CLOSING CERTIFICATE

**\$[PAR]
 COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
 (VALENCIA-FACILITIES)
 (IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

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

[Closing Date]

County of Los Angeles Community Facilities District
No. 2021-01 (Valencia-Facilities)
Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, California 90012

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the “**Bonds**”) and to the Bond Purchase Agreement, dated [Pricing Date] (the “**Bond Purchase Agreement**”), entered into in connection therewith. This Closing Certificate of The Newhall Land and Farming Company (A California Limited Partnership) (the “**Closing Certificate**”) is delivered pursuant to Section 7(G)(19) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations of The Newhall Land and Farming Company (A California Partnership) (the “**Letter of Representations**”), dated [POS Date], delivered by The Newhall Land and Farming Company (A California Limited Partnership), a California limited partnership (the “**Master Developer**”).

The Master Developer certifies that the undersigned are authorized officers or representatives of the Master Developer and that they are familiar with the facts herein certified, as follows:

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

2. To the Actual Knowledge of the Master Developer, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 3 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 3 of the Letter of Representations) relating to the Master Developer, its Affiliates, or the information under the sections of the Preliminary Official Statement indicated in Paragraph 3 of the Letter of Representations, which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the “**End of the Underwriting Period**” as defined in the Bond Purchase Agreement (provided the Master Developer may assume the End of the Underwriting Period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Master Developer, its Affiliates or the information under the sections of the Preliminary Official Statement indicated in Paragraph 3 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 3 of the Letter of Representations) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the County or the Community Facilities District, to amend or supplement the Official Statement in order to make the information under the sections of the Official Statement indicated in Paragraph 3 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 3 of the Letter of Representations) not misleading in the light of the circumstances under which they were made, the Master Developer shall reasonably cooperate with the County, the Community Facilities District and the Underwriter in the preparation of a supplement or amendment to the information described under the sections of the Official Statement indicated in Paragraph 3 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 3 of the Letter of Representations), in form and substance satisfactory to the Underwriter and counsel to the County and the Community Facilities District which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

The undersigned have executed this Closing Certificate solely in their capacity as authorized officers or representatives of the Master Developer and they will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Master Developer.

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

By: _____

Name: _____

Title: _____

EXHIBIT C-2

FORM OF MERCHANT BUILDER CLOSING CERTIFICATE

**§[PAR]
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

**CLOSING CERTIFICATE OF
[INSERT NAME OF MERCHANT BUILDER]**

[Closing Date]

County of Los Angeles Community Facilities District
No. 2021-01 (Valencia-Facilities)
Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, California 90012

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the “**Bonds**”) and to the Bond Purchase Agreement, dated [Pricing Date] (the “**Bond Purchase Agreement**”), entered into in connection therewith. This Closing Certificate of [Lennar Homes of California, LLC]/[KB HOME Greater Los Angeles Inc.]/[Tri Pointe Homes Holdings, Inc.]/[Richmond American Homes of Maryland, Inc.] (the “**Closing Certificate**”) is delivered pursuant to Section 7(G)(19) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations of Lennar Homes of California, LLC]/[KB HOME Greater Los Angeles Inc.]/[Tri Pointe Homes Holdings, Inc.]/[Richmond American Homes of Maryland, Inc.] (the “**Letter of Representations**”), dated [POS Date], delivered by [Lennar Homes of California, LLC, a California limited liability company]/[KB HOME Greater Los Angeles Inc., a California corporation]/[Tri Pointe Homes Holdings, Inc., a Delaware corporation]/[Richmond American Homes of Maryland, Inc., a Maryland corporation] (the “**Merchant Builder**”).

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

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

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) relating to the Merchant Builder, its Relevant Entities, the proposed development of the Property, ownership of the Property, the Merchant Builder’s development plan, the Merchant Builder’s financing plan, the Merchant Builder’s lenders, if any, [and] contractual arrangements of the Merchant Builder or any Relevant Entities (including, if material to the Merchant Builder’s development plan or the Merchant Builder’s financing plan, loans of its Relevant Entities) [For Lennar Only: and the Merchant Builder’s compliance with its continuing disclosure undertakings], which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the “**End of the Underwriting Period**” as defined in the Bond Purchase Agreement (provided the Merchant Builder may assume the End of the Underwriting Period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Merchant Builder, its Relevant Entities, the proposed development of the Property, ownership of the Property, the Merchant Builder’s development plan, the Merchant Builder’s financing plan, the Merchant Builder’s lenders, if any, [and] contractual arrangements of the Merchant Builder or any Relevant Entities (including, if material to the Merchant Builder’s development plan or the Merchant Builder’s financing plan, loans of its Relevant Entities) [For Lennar Only: and the Merchant Builder’s compliance with its continuing disclosure undertakings] shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the County or the Community Facilities District, to amend or supplement the Official Statement in order to make the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) not misleading in the light of the circumstances under which they were made, the Merchant Builder shall reasonably cooperate with the County, the Community Facilities District and the Underwriter in the preparation of a supplement or amendment to the information described under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations), in form and substance satisfactory to the Underwriter and counsel to the County and the Community Facilities District which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. [FOR LENNAR ONLY: The Merchant Builder has duly authorized the execution and delivery of the Continuing Disclosure Certificate and is duly authorized to perform the obligation on its part to be performed thereunder, and the Continuing Disclosure Certificate constitutes the legal, valid and binding obligation of the Merchant Builder, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other similar laws affecting the rights of creditors and certain equitable, legal or statutory principles affecting enforcement of contractual rights generally, regardless of whether such enforcement is considered in a proceeding of law or equity.]

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of the Merchant Builder and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Merchant Builder.

[MERCHANT BUILDER]

By: _____

Name: _____

Title: _____

[EXECUTION PAGE OF CLOSING CERTIFICATE OF
[INSERT NAME OF MERCHANT BUILDER]]

EXHIBIT C-3

FORM OF LANDBANK CLOSING CERTIFICATE

**\$[PAR]
 COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
 (VALENCIA-FACILITIES)
 (IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

**CLOSING CERTIFICATE OF
[INSERT NAME OF LANDBANK]**

[Closing Date]

County of Los Angeles Community Facilities District
No. 2021-01 (Valencia-Facilities)
Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, California 90012

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, California 90067

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the “**Bonds**”) and to the Bond Purchase Agreement, dated [Pricing Date] (the “**Bond Purchase Agreement**”), entered into in connection therewith. This Closing Certificate of [INSERT NAME OF LANDBANK] (the “**Closing Certificate**”) is delivered pursuant to Section 7(G)(19) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations of [INSERT NAME OF LANDBANK] (the “**Letter of Representations**”), dated [POS Date], delivered by [INSERT NAME OF LANDBANK], a Delaware limited partnership (the “**Landbank**”).

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

1. The Landbank has received the final Official Statement dated [Pricing Date] relating to the Bonds (the “**Official Statement**”). To the Actual Knowledge of the Undersigned, each statement, representation and warranty made in the Letter of Representations is true and correct in all

material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) relating to the Landbank, the proposed development of the Landbank Property, current ownership of the Landbank Property, and contractual arrangements of the Landbank (including the Option Agreement), which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the “**End of the Underwriting Period**” as defined in the Bond Purchase Agreement (provided the Landbank may assume the End of the Underwriting Period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Landbank, ownership of the Landbank Property, and contractual arrangements of the Landbank (including the Option Agreement) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the County or the Community Facilities District, to amend or supplement the Official Statement in order to make the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) not misleading in the light of the circumstances under which they were made, the Landbank shall reasonably cooperate with the County, the Community Facilities District and the Underwriter in the preparation and publication of a supplement or amendment to the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations), in form and substance satisfactory to the Underwriter and counsel to the County and the Community Facilities District which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of the Landbank and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Landbank.

[INSERT SIGNATURE BLOCK]

[EXECUTION PAGE OF CLOSING CERTIFICATE OF
[INSERT NAME OF LANDBANK]]

EXHIBIT D

FORM OF OPINION OF THE COUNTY COUNSEL

[Closing Date]

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

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

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

ISSUER’S COUNSEL OPINION

Re: \$[PAR] County of Los Angeles Community Facilities District No. 2021-01
 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024

Ladies and Gentlemen:

I am County Counsel of the County of Los Angeles (the “County”), and in such capacity I have acted as counsel (“Issuer’s Counsel”) to County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “Community Facilities District”) in connection with the issuance of the above-referenced bonds (the “Bonds”). In such capacity, we have been asked to render this opinion in connection with Section 7(G)(8) of that certain Bond Purchase Agreement, dated [Pricing Date] (the “Bond Purchase Agreement”), by and between Stifel, Nicolaus & Company, Incorporated, as underwriter, and the Community Facilities District, relating to the Bonds. All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Bond Purchase Agreement.

In rendering this opinion, I have examined and relied upon originals or copies of the following upon which, with your permission, I am relying, without further inquiry or investigation (although I advise you that I have no actual knowledge to the contrary of any matters related thereto): (i) the Community Facilities District Resolution of Issuance, (ii) the Formation Documents, (iii) the Community Facilities District Documents, and (iv) the Official Statement, relating to the Bonds, and I have made such other investigations of law and facts as we have deemed necessary to render the following opinions.

The opinions expressed herein are based on an analysis of existing statutes, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. I have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur.

In our examination, I have assumed, without independent investigation, the authenticity of all documents submitted to me as originals, of all documents submitted to me as certified or photostatic copies and the authenticity of the originals of such latter documents and the accuracy of the statements and representations contained in such documents. In addition, I have assumed the authority of and due execution by each of the parties to the documents other than the County and the Community Facilities District.

Based on the foregoing, we hereby advise you that, as of the date hereof, we are of the opinion that:

(i) the County is a political subdivision of the State of California, duly organized and existing under the Constitution and the laws of the State of California;

(ii) the Community Facilities District is duly organized and validly existing as a community facilities district under and by virtue of the Constitution and laws of the State of California (including the Community Facilities District Act), Improvement Area No. 2 has been duly formed therein, and the Community Facilities District has all requisite power and authority under the Constitution and laws of the State of California (including the Community Facilities District Act): (a) to adopt the Community Facilities District Resolution of Issuance, and to enter into, execute, deliver and perform its covenants and agreements under the Community Facilities District Documents; (b) to approve and authorize the use, execution and distribution of the Preliminary Official Statement and the Official Statement; (c) to issue, sell, execute and deliver the Bonds; (d) to pledge the Net Taxes as contemplated by the Indenture; and (e) to carry on its activities as currently conducted;

(iii) the Community Facilities District Resolution of Issuance and the Formation Documents have been duly adopted at meetings of the Board of Supervisors of the County, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Community Facilities District Resolution of Issuance and the Formation Documents are in full force and effect and have not been modified, amended, rescinded or repealed since the respective dates of their adoption;

(iv) the Community Facilities District Documents and the Official Statement have been duly authorized, executed and delivered by the Community Facilities District and constitute the legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases or seeks to restrain or to enjoin the development of property within the Community Facilities District;

(v) except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the County or the Community Facilities District) or, to our knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the County or the Community Facilities District or Improvement Area No. 2, or the titles of their members and officers to their respective offices; or (b) affect the validity of the Community Facilities District Documents or restrain or enjoin the repayment of the Bonds or in any way contest or affect the validity of the Community Facilities District Documents or contest the authority of the

Community Facilities District to enter into or perform its obligations under any of the Community Facilities District Documents or under which a determination adverse to the County or Community Facilities District would have a material adverse effect upon the financial condition or the revenues of the County or Community Facilities District, questions the right of the Community Facilities District to use Special Taxes levied within Improvement Area No. 2 for the repayment of the Bonds or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Taxes levied within Improvement Area No. 2 for the repayment of the Bonds;

(vi) the execution and delivery of the Bonds and the Community Facilities District Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument of which the Community Facilities District is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Community Facilities District to perform its obligations under the Bonds or the Community Facilities District Documents;

(vii) all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the Community Facilities District, to perform its obligations under the Bonds or the Community Facilities District Documents, have been obtained or made, as the case may be, and are in full force and effect;

(viii) the information contained in the Preliminary Official Statement, as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date under the caption "ABSENCE OF LITIGATION" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(ix) to our knowledge, the Community Facilities District is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject, which breach or default would materially adversely affect the Community Facilities District's ability to enter into or perform its obligations under the Community Facilities District Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Community Facilities District's ability to enter into or perform its obligations under the Community Facilities District Documents.

This letter is furnished by me as Issuer's Counsel. Other than the County and the Community Facilities District, no attorney-client relationship has existed or exists between County Counsel and you in connection with the Bonds or by virtue of this letter. This letter is delivered to you, is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person; provided, however, a copy may be included in the transcript of the proceedings for the Bonds. This letter is not intended to, and may not, be relied upon by owners of the Bonds.

County Counsel

EXHIBIT E

**§[PAR]
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

FORM OF ISSUE PRICE CERTIFICATE

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

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated [Pricing Date], by and between Stifel, as the Underwriter (as defined below), and the Issuer (as defined below), Stifel has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (which Sale Date is [Pricing Date]), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities).

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [Pricing Date].

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____

Name: _____

By: _____

Name: _____

Dated: [Closing Date]

SCHEDULE A

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

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

DISTRICT CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) dated as of September 1, 2024 is executed and delivered by County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “District”) in connection with the issuance and delivery by the District of its \$ _____ County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024 (the “Bonds”). The Bonds are being issued pursuant to a Resolution of Issuance adopted on August __, 2024, by the Board of Supervisors of the County of Los Angeles, acting as the legislative body of the District, and the Bond Indenture, dated as of September 1, 2024 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee. The District covenants as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Indenture and the Rate and Method of Apportionment, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income purposes.

“County” shall mean the County of Los Angeles, California.

“Disclosure Representative” shall mean the Treasurer and Tax Collector of the County, or his or her designee, or such other officer or employee as the District shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean, initially, the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the then current Dissemination Agent a written acceptance of such designation.

“District” shall mean County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities).

“EMMA” shall mean the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission in the future system of the MSRB.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Improvement Area” means Improvement Area No. 2 of the District.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean that certain Official Statement for the Bonds dated August __, 2024.

“Owners” shall mean the registered owners of the Bonds as set forth in the registration books maintained by the Trustee.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated.

“Rate and Method of Apportionment” shall mean that certain Rate and Method of Apportionment of Special Tax for the Improvement Area approved pursuant to the Resolution of Formation.

“Resolution of Formation” shall mean the resolutions adopted on March 9, 2021 and April 5, 2022, by the Board of Supervisors pursuant to which the Board of Supervisors formed the District and annexed property to the District as the Improvement Area.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

“Trustee” shall mean U.S. Bank Trust Company, National Association or such other entity appointed by the District pursuant to the Indenture to act as the trustee under the Indenture.

Section 3. Provision of Annual Reports.

(a) Not later than March 1 of each year commencing March 1, 2025, the District shall, or shall cause the Dissemination Agent to provide to EMMA and the Participating Underwriter an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is other than the District, then not later than 15 business days prior to the date referred to in the prior sentence hereof, the District shall provide the Annual Report (in a form suitable for filing with EMMA) to the Dissemination Agent. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited

financial statements of the District, if any exist, may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

(b) In the event that the Dissemination Agent is an entity other than the District, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) of this Section 3 for providing the Annual Report, the District shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to the due date for an Annual Report the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District will be filing the Annual Report in compliance with subsection (a) of this Section 3. The Dissemination Agent may conclusively rely upon the Annual Report and shall have no duty or obligation to review such report.

(c) If the Dissemination Agent is other than the District and if the Dissemination Agent is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send, in a timely manner, a notice to EMMA of the failure to file the Annual Report in the form required by EMMA. If the District acts as its own Dissemination Agent, it shall file a notice with EMMA no later than the date specified in subsection (a) of this Section 3 for filing an Annual Report if the District fails to file the Annual Report by that date.

(d) If the Dissemination Agent is other than the District, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the repository if other than the MSRB through EMMA; and

(ii) promptly after receipt of the Annual Report, file a report with the District certifying that the Annual Report has been provided to EMMA and the date it was provided.

(e) Notwithstanding any other provision of this Disclosure Certificate, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Financial Statements. The audited financial statements of the District for the prior fiscal year, if any have been prepared and which, if prepared, shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements, if any are prepared, are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Financial and Operating Data. The Annual Report shall contain or incorporate by reference the following information:

(i) the principal amount of the Bonds outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund and account under the Indenture as of the September 2 preceding the filing of the Annual Report;

(iii) the aggregate assessed valuation of the Taxable Property within the Improvement Area;

(iv) any changes to the Rate and Method of Apportionment approved or submitted to the qualified electors for approval prior to the filing of the Annual Report;

(v) a table setting forth the annual Special Tax delinquency rate within the Improvement Area at June 30 of each fiscal year for which a delinquency exists, listing for each fiscal year, the total Special Tax levy, the amount delinquent and the percent delinquent or a statement to the effect that no such delinquencies exist;

(vi) an update of the value-to-lien of the property within the Improvement Area based on the assessed value and the Special Tax levy for the then current fiscal year, which update may be provided in a form similar to Table 3 in the Official Statement; provided that such update need not include overlapping special tax, assessment or general obligation indebtedness;

(vii) the status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes within the Improvement Area; and

(viii) until all building permits for the planned residential units within the Improvement Area have been issued, an update of the number of building permits issued since the date of the prior Annual Report (or with respect to the first Annual Report, the number of building permits issued as set forth in the Official Statement), the total number of building permits issued, and the total number of planned residential units within the Improvement Area or a statement to the effect that all building permits have been issued.

(c) Any or all of the items listed in (a) or (b) above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB through EMMA. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause the Dissemination Agent to give, notice to EMMA in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB);
6. defeasances;
7. tender offers;
8. ratings changes; and
9. bankruptcy, insolvency, receivership or similar proceedings.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) Additionally, the District shall give or cause the Dissemination Agent to give notice to EMMA in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5), notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

3. appointment of a successor or additional trustee or the change of the name of a trustee;
4. nonpayment related defaults;
5. modifications to the rights of Bondholders;
6. bond calls;
7. release, substitution or sale of property securing repayment of the Bonds; and
8. incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.

(c) In the event that the District's fiscal year changes, the District shall report or shall instruct the Dissemination Agent to report such change in the same manner and to the same parties as Listed Events would be reported pursuant to Section 5(a).

(d) The District hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the District, and the Dissemination Agent, if other than the District, shall not be responsible for determining whether the District's instructions to the Dissemination Agent under this Section comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligations of the District and the Dissemination Agent under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent, if other than the District, shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District. The Dissemination Agent may resign by providing (i) thirty (30) days written notice to the District and the Trustee and (ii) upon appointment of a new Dissemination Agent hereunder.

Section 8. Amendment; Waiver.

(a) This Disclosure Certificate may be amended, by written agreement of the parties, without the consent of the Owners, and any provision of this Disclosure Certificate may be waived, if all of the following conditions are satisfied: (1) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law, or a change in the identity, nature or status of the District or the type of business conducted thereby, (2) the undertakings in this Disclosure Certificate as so amended or waived would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any

amendments or interpretations of the Rule, as well as any change in circumstances, and (3) the amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners or (ii) does not, in the determination of the District, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

(b) To the extent any amendment to this Disclosure Certificate results in a change in the type of financial information or operating data provided pursuant to this Disclosure Certificate, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(c) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District and/or the Dissemination Agent to comply with their respective obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. Where an entity other than the District is acting as the Dissemination Agent, the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. Any Dissemination Agent shall be paid (i) compensation by the District for its services provided hereunder in accordance with a schedule of fees to be mutually agreed to; and (ii) all expenses, legal fees and advances made or incurred by the

Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District pursuant to this Disclosure Certificate. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Certificate. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach under this Disclosure Certificate.

Section 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

District: County of Los Angeles Community Facilities District No.
2021-01 (Valencia-Facilities)
Kenneth Hahn Hall of Administration
500 W. Temple Street, Room 432
Los Angeles, CA 90012
Attn: Public Finance

Underwriter: Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, CA 90067
Attn: Public Finance Department

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notice or communications should be sent.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Trustee, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's business shall be the successor Dissemination Agent without the filing of any paper or any further act.

This Disclosure Certificate is executed as of the date and year first set forth above.

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

By: _____
ELIZABETH BUENROSTRO GINSBERG
Treasurer and Tax Collector
County of Los Angeles

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2024

NEW ISSUE—BOOK-ENTRY ONLY

NO RATING

In the opinion of Stradling Yocca Carlson & Rauth LLP, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds described herein is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption “TAX EXEMPTION” with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations.

\$27,210,000*
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024

Dated: Delivery Date

Due: September 1, as shown on inside cover page

The County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024 (the “Bonds”) are being issued by County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “District”) to: (i) finance certain public improvements needed with respect to the development of property located within the District; (ii) fund a reserve account for the Bonds; (iii) fund capitalized interest on a portion of the Bonds through September 1, 2025; and (iv) pay costs of issuance for the Bonds. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “Act”), and pursuant to that certain Bond Indenture, dated as of September 1, 2024 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The Bonds are payable from Net Taxes (as defined herein) derived from a certain annual Special Tax (as defined herein) to be levied on taxable parcels within Improvement Area No. 2 of the District (“Improvement Area No. 2”) and from certain other funds pledged under the Indenture, all as further described herein. The Special Tax is to be levied according to the rate and method of apportionment approved by the Board of Supervisors of the County and the qualified electors within Improvement Area No. 2. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Special Taxes” and Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Individual purchases of the Bonds may be made in principal amounts of \$5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of the Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. Interest on the Bonds will be payable on each March 1 and September 1, commencing March 1, 2025. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE COUNTY OF LOS ANGELES OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES AND OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Bonds are subject to optional redemption, special mandatory redemption and mandatory sinking fund redemption prior to maturity as set forth herein. See the caption “THE BONDS — Redemption.”

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

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the County and the District by County Counsel, and for the District by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel, for the Underwriter by Anzel Galvan LLP, and for the Trustee by its counsel. It is anticipated that the Bonds in book-entry form will be available for delivery on or about September __, 2024.

[STIFEL LOGO]

* Preliminary, subject to change.

Dated: _____, 2024

\$27,210,000*
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024

MATURITY SCHEDULE

BASE CUSIP^{®†} 54531M

\$ _____ Serial Bonds

<i>Maturity Date</i> <i>(September 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP No.[†]</i>
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\$ _____ % Term Bonds due September 1, 20__ Yield: ___ % Price: _____ CUSIP No.[†] _____

\$ _____ % Term Bonds due September 1, 20__ Yield: ___ % Price: _____ CUSIP No.[†] _____

* Preliminary, subject to change.

[†] CUSIP[®] is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2024 CUSIP Global Services. All rights reserved. CUSIP[®] data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP[®] numbers are provided for convenience of reference only. None of the District, the County, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

COUNTY OF LOS ANGELES, CALIFORNIA

BOARD OF SUPERVISORS

Lindsey P. Horvath, *Third District, Chair*
Kathryn Barger, *Fifth District, Chair Pro Tem*
Hilda L. Solis, *First District*
Holly J. Mitchell, *Second District*
Janice Hahn, *Fourth District*
Edward Yen, *Executive Officer – Clerk Board of Supervisors*

COUNTY OFFICIALS

Fesia Davenport, *Chief Executive Officer*
Dawyn Harrison, *County Counsel*
Elizabeth Buenrostro Ginsberg, *Treasurer and Tax Collector*
Oscar Valdez, *Auditor - Controller*

BOND AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

SPECIAL TAX CONSULTANT

DTA
Newport Beach, California

APPRAISER

Integra Realty Resources
Sacramento, California

MARKET ABSORPTION ANALYST

Empire Economics, Inc.
Capistrano Beach, California

TRUSTEE

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

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

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

The Underwriter has provided the following sentence for inclusion in this Official Statement:

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

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County, the District or any other parties described herein since the date hereof. All summaries of the Indenture or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the County for further information in connection therewith.

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

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget,” or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the captions “THE DISTRICT AND IMPROVEMENT AREA NO. 2” and “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

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

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

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[INSERT AERIAL PHOTOGRAPH]

\$27,210,000*
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “District”) of its (Improvement Area No. 2) Special Tax Bonds, Series 2024 in the aggregate principal amount of \$27,210,000* (the “Bonds”). The proceeds of the Bonds will be used to: (i) finance certain public improvements needed with respect to the development of property located within the District; (ii) fund a reserve account for the Bonds; (iii) fund capitalized interest on a portion of the Bonds through September 1, 2025; and (iv) pay costs of issuance for the Bonds.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “Act”), a resolution adopted on August 6, 2024 by the Board of Supervisors of the County of Los Angeles (the “County”), acting as the legislative body of the District, and a Bond Indenture, dated as of September 1, 2024 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Bonds are secured under the Indenture by a pledge of and lien upon Net Taxes (as such term is defined herein) and all moneys in the Special Tax Fund (other than the Administrative Expense Account therein) as described in the Indenture.

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined have the meanings set forth in Appendix E.

The District and Improvement Area No. 2

General. Improvement Area No. 2 of the District (“Improvement Area No. 2”) is located in an unincorporated portion of the County approximately 35 miles northwest of downtown Los Angeles, 15 miles north of the San Fernando Valley and is adjacent to the City of Santa Clarita. The property within Improvement Area No. 2 is part of Mission Village, which is the first phase of development of the larger Valencia Project (as defined herein). The Valencia Project (formerly referred to as “Newhall Ranch”) is a mixed-use, master-planned community in the County that is planned to encompass approximately 15,000 acres and is designed to include approximately 21,500 homesites, approximately 11.5 million square feet of commercial space, approximately 50 miles of trails, approximately 275 acres of community parks and approximately 10,000 acres of protected open space. Improvement Area No. 2 consists of 65 gross acres that is anticipated to be developed as 834 residential units and represents the second phase of Mission Village. The first phase of Mission Village is included in Improvement Area No. 1 of the District and is planned for 1,268 residential units. The development in Improvement Area No. 1 is substantially complete and all homes are expected to be conveyed to individual homeowners by the end of 2025.

* Preliminary, subject to change.

The Newhall Land and Farming Company (A California Limited Partnership) (the “Master Developer”) is the master developer of the Valencia Project and has conveyed all of the property within Improvement Area No. 2 planned for residential development to four different builders (collectively, the “Merchant Builders”) or their land banking entities, as applicable. The Merchant Builders expect to build a total of 834 residential units within Improvement Area No. 2. As of May 13, 2024, 76 homes had been completed and conveyed by the Merchant Builders to individual homeowners and the Merchant Builders (or their respective land bank entities, as further described herein) collectively owned 758 lots which were in various stages of construction. As of May 13, 2024, building permits had been issued for 342 of the 834 planned residential units within Improvement Area No. 2. For more information with respect to the Master Developer, the Merchant Builders and the proposed development within Improvement Area No. 2, see the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

Formation Proceedings. The District and the first improvement area therein (Improvement Area No. 1) were formed on March 9, 2021 pursuant to the Act. The Act was enacted to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, on January 26, 2021 the Board of Supervisors adopted a resolution (the “Resolution of Intention”) stating its intention to form the District and to designate certain territory which may be annexed to the District as additional improvement areas in the future upon the unanimous consent and approval of the owner of the property to be annexed. Subsequent to a noticed public hearing on March 9, 2021, the Board of Supervisors adopted two separate resolutions (collectively the “Resolution of Formation”). The Resolution of Formation, among other things, established the District, designated Improvement Area No. 1 therein and designated certain territory which may be annexed to the District as additional improvement areas in the future. On March 23, 2021, the Board of Supervisors adopted Ordinance No. 2021-0015 (the “Ordinance”) which authorizes the levy of a special tax within Improvement Area No. 1 as well as improvement areas annexed to the District in the future.

On April 5, 2022, the Board of Supervisors adopted a resolution accepting the unanimous consents and approvals (the “Unanimous Consents and Approvals”) of certain property owners to annex the property that they each owned as Improvement Area No. 2 of the District. The Unanimous Consents and Approvals approved the annexation of the property as Improvement Area No. 2, the issuance of bonds for Improvement Area No. 2 in a principal amount not to exceed \$47,500,000 and the levy of a special tax within Improvement Area No. 2 pursuant to the Rate and Method of Apportionment for Improvement Area No. 2 (the “Rate and Method”), a copy of which is attached hereto as Appendix A. A Notice of Special Tax Lien for Improvement Area No. 2 was recorded in the office of the County Recorder on April 19, 2022, as Document No. 20220428848.

The Developer’s expectation is that additional property will be annexed to the District as separate improvement areas as development therein is anticipated to commence. **No special taxes levied within Improvement Area No. 1 of the District or within any other property that is annexed to the District in the future as an improvement area is available to pay debt service on the Bonds.**

Sources of Payment for the Bonds

Special Taxes. As used in this Official Statement, the term “Special Tax” means the annual Special Tax which has been authorized pursuant to the Act and the Rate and Method to be levied upon taxable property within Improvement Area No. 2. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Special

Taxes” and Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” See the caption “THE DISTRICT AND IMPROVEMENT AREA NO. 2.”

Under the Indenture, the District has pledged to repay the Bonds and any Parity Bonds (as defined herein) from the Special Tax revenues remaining after the payment of certain annual Administrative Expenses of the District (the “Net Taxes”) and from other amounts in the Special Tax Fund (other than the Administrative Expense Account therein) established under the Indenture. The Special Taxes are the primary source of security for the repayment of the Bonds and any Parity Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds and any Parity Bonds are amounts held by the Trustee in the Special Tax Fund, including amounts held in the Reserve Account therein, to the limited extent described in the Indenture. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Reserve Account of the Special Tax Fund.”

Foreclosure Proceeds. The District will covenant in the Indenture for the benefit of the owners of the Bonds and Parity Bonds that it will: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales.*” There is no assurance that the property within Improvement Area No. 2 can be sold for the appraised or assessed values described herein, or for a price sufficient to pay the principal of and interest on the Bonds in the event of a default in payment of Special Taxes by the current or future landowners within Improvement Area No. 2. See the caption “SPECIAL RISK FACTORS — Property Values.”

EXCEPT FOR THE NET TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE COUNTY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES AND AMOUNTS HELD UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN.

Appraisal Report

Integra Realty Resources (the “Appraiser”) has conducted an Appraisal dated June 13, 2024 (the “Appraisal Report”) of certain land and existing improvements within Improvement Area No. 2 to provide an estimate of the market value of the fee simple interest of such land and improvements. The Appraisal Report provides an estimate of the approximate market value of the property in Improvement Area No. 2 subject to the levy of Special Taxes, assuming that development of the property as currently planned will consist of 834 residential units. Based on the extraordinary assumptions and hypothetical conditions set forth in the Appraisal Report, the Appraiser concluded that the minimum market value of all of the parcels within Improvement Area No. 2 subject to the Special Tax was \$246,779,546 as of May 13, 2024 (the “Date of Value”).

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in Appendix D. The District makes no representation as to the accuracy of the Appraisal Report. See “THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Appraisal Report” and “— Estimated Appraised Value-to-Lien Ratios.” There is no assurance that property within Improvement Area No. 2 can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by a property owner. See “THE DISTRICT AND IMPROVEMENT AREA NO. 2,” “SPECIAL RISK FACTORS — Property Values” herein and Appendix D.

Market Absorption Study

In order to determine the projected absorption of the residential property within Improvement Area No. 2, the County engaged Empire Economics, Inc. (the “Market Absorption Consultant”) to perform a comprehensive analysis of the product mix characteristics as well as the macroeconomic and microeconomic factors that are expected to influence the absorption of the products within Improvement Area No. 2. The Market Absorption Consultant delivered its Market Absorption Study dated May 16, 2024 (the “Market Absorption Study”). Based on the assumptions and limiting conditions set forth in the Market Absorption Study, the Market Absorption Consultant estimated the calendar year absorption schedules as set forth therein. The Market Absorption Study, the identifies potential risks that could affect the estimated absorption. See “THE DISTRICT AND IMPROVEMENT AREA NO. 2— Market Absorption Study” and Appendix I hereto.

Description of the Bonds

The Bonds will be issued and delivered as fully registered Bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See Appendix H — “BOOK-ENTRY ONLY SYSTEM.”

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. See Appendix H — “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are subject to optional redemption, special mandatory redemption and mandatory sinking fund redemption prior to maturity as described herein. See the caption “THE BONDS — Redemption.” For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see the caption “THE BONDS” and Appendix E — “SUMMARY OF THE INDENTURE.”

Tax Exemption

In the opinion of Stradling Yocca Carlson & Rauth LLP, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds described herein is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption “TAX EXEMPTION” with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations.

Set forth in Appendix C is the form of opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain tax consequences incident to the ownership of the Bonds, see the caption “TAX EXEMPTION.”

Professionals Involved in the Offering

U.S. Bank Trust Company, National Association, Los Angeles, California, will act as Trustee under the Indenture. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) is the Underwriter of the Bonds. Fieldman, Rolapp & Associates, Inc. is serving as municipal advisor in connection with the sale of the Bonds.

Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel and Disclosure Counsel to the District in connection with the issuance of the Bonds. Certain legal matters will be passed on for the County and the District by County Counsel, for the Underwriter by Anzel Galvan LLP, and for the Trustee by its counsel. Other professional services have been performed by DTA, Newport Beach, California, as Special Tax Consultant (the “Special Tax Consultant”) and by Integra Realty Resources, Sacramento, California, as Appraiser.

For information concerning circumstances in which certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds, see the caption “FINANCIAL INTERESTS.”

Continuing Disclosure

Pursuant to a Continuing Disclosure Certificate to be executed by the District (the “District Continuing Disclosure Certificate”), the District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”), maintained on the Internet at <http://emma.msrb.org>, certain annual financial information and operating data and notices of certain enumerated events. These covenants are being made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission (“Rule 15c2-12”).

The Underwriter does not consider any of the Merchant Builders to be an “obligated person” with respect to the Bonds for purposes of Rule 15c2-12. Notwithstanding the foregoing, to assist in the marketing of the Bonds, Lennar Homes of California, LLC, a California limited liability company (“Lennar Homes”), one of the Merchant Builders, will agree to provide, or cause to be provided to EMMA for a limited period of time as described therein, certain semi-annual updates with respect to its development within Improvement Area No. 2 and notices of certain enumerated events. See Appendix G for a description of the specific nature of the semiannual reports and enumerated event notices to be filed by Lennar Homes.

See “CONTINUING DISCLOSURE,” Appendix F — “FORM OF DISTRICT CONTINUING DISCLOSURE CERTIFICATE” and Appendix G — “FORM OF DEVELOPER CONTINUING DISCLOSURE CERTIFICATE.”

Parity Bonds

Subject to the requirements set forth in the Indenture, the District may issue bonds secured by the Net Taxes on a parity with the Bonds (“Parity Bonds”), to finance additional public improvements benefitting the District and/or to refund all or a portion of the Outstanding Bonds or any Parity Bonds. See the caption “SOURCES OF PAYMENT FOR THE BONDS — Parity Bonds.” After the issuance of the Bonds the District may issue an additional \$20,290,000* principal amount of Parity Bonds for Improvement Area No. 2 to finance additional public improvements.

Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes may also be levied in the future on the property within Improvement Area No. 2, which could adversely affect the willingness of the property owners to pay the Special Taxes when due. See the captions “THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Direct and Overlapping Debt” and “SPECIAL RISK FACTORS — Direct and Overlapping Indebtedness.”

Bond Owners’ Risks

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the caption “SPECIAL RISK FACTORS” for a discussion of certain factors which should be

* Preliminary, subject to change.

considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The purchase of the Bonds involves risks, and the Bonds may not be appropriate investments for some types of investors.

Other Information

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

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the Constitution and laws of the State, as well as the proceedings of the Board of Supervisors, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture. Capitalized terms not otherwise defined in this Official Statement have the meanings set forth in Appendix E.

FINANCING PLAN

Estimated Sources and Uses of Funds

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

Sources of Funds	
Principal Amount of Bonds	\$
Plus Original Issue Premium	
Total Sources	<u><u>\$</u></u>
 Uses of Funds:	
Acquisition and Construction Fund	\$
Costs of Issuance ⁽¹⁾	
Interest Account ⁽²⁾	
Reserve Account of the Special Tax Fund	
Total Uses	<u><u>\$</u></u>

⁽¹⁾ To pay costs of issuance of the Bonds, including legal fees, underwriter’s discount, printing costs, Appraiser, Special Tax Consultant, Municipal Advisor and Trustee fees.

⁽²⁾ Represents capitalized interest on a portion of the Bonds through September 1, 2025.

THE BONDS

General Provisions

The Bonds will be dated their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, payable semiannually on each March 1 and September 1, commencing March 1, 2025 (each, an “Interest Payment Date”), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof.

Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of such Bond, unless: (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication; (ii) the date of authentication is after the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day (each, a “Record Date”) but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of

authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond, in which event interest will be payable from the dated date of such Bond, as applicable; provided, however, that if at the time of authentication of such Bond, interest is in default, interest on such Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on such Bond, interest on such Bond will be payable from its dated date.

Interest on any Bond will be paid to the person whose name appears as its owner in the registration books held by the Trustee on the close of business on the Record Date. Principal of, premium, if any, due upon redemption is payable upon presentation and surrender of the Bonds at the principal corporate trust office of the Trustee in Los Angeles, California.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of \$5,000 and any integral multiple thereof. So long as DTC is the securities depository all payments of principal and interest on the Bonds will be made to DTC and will be paid to the Beneficial Owners in accordance with DTC's procedures and the procedures of DTC's Participants. See APPENDIX H — "BOOK-ENTRY-ONLY SYSTEM."

In the event the Bonds are not held in book-entry form, interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, to the Bond Owner at its address on the registration books kept by the Trustee. Pursuant to a written request prior to the Record Date of a Bond Owner of at least \$1,000,000 in aggregate principal amount of Bonds or of any issue of Parity Bonds, payment will be made by wire transfer in immediately available funds to a designated account in the United States.

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Debt Service Schedule

The following table presents the annual debt service on the Bonds (including sinking fund redemptions), assuming that there are no optional or special mandatory redemptions. See the caption “—Redemption” below.

<i>Year Ending September 1</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Debt Service</i>
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
Total			

⁽¹⁾ Interest on a portion of the Bonds through September 1, 2025 will be paid from capitalized interest.

Redemption

Optional Redemption. The Bonds may be redeemed at the option of the District from any source of funds on any date on or after September 1, 20__, in whole or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the date of redemption:

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 20__ through and including August 31, 20__	103%
September 1, 20__ through and including August 31, 20__	102
September 1, 20__ through and including August 31, 20__	101
September 1, 20__ and any date thereafter	100

In the event that the District elects to redeem Bonds as provided above, the District will give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee will be given at least 30 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the “20__ Term Bonds”) will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

***Sinking Fund Redemption Date
(September 1)***

Sinking Fund Payments

\$

*

* Maturity.

The Bonds maturing on September 1, 20__ (the “20__ Term Bonds”) will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account established under the Indenture, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed 20__ Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Term Bonds Maturing September 1, 20__

***Sinking Fund Redemption Date
(September 1)***

Sinking Fund Payments

\$

*

* Maturity.

If the District purchases Term Bonds during the Fiscal Year immediately preceding one of the sinking fund redemption dates specified above, the District will notify the Trustee at least 45 days prior to the redemption date as to the principal amount purchased, and the amount purchased will be credited at the time of purchase to the next Sinking Fund Payment for the Term Bond so purchased, to the extent of the full principal amount of the purchase. All Term Bonds purchased will be cancelled pursuant to the Indenture.

In the event of a partial optional redemption or special mandatory redemption of the Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis.

Special Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to special mandatory redemption as a whole or in part on a pro rata basis among maturities and by lot within a maturity, on any Interest Payment Date on or after March 1, 2025, and will be redeemed by the Trustee, from any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in Improvement Area No. 2 made in accordance with the Rate and Method (the “Prepayments”) deposited to the Redemption Account pursuant to the Indenture, plus amounts transferred from the Reserve Account pursuant to the Indenture, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Any Interest Payment Date from March 1, 2025 through March 1, 20__	103%
September 1, 203__ and March 1, 20__	102
September 1, 203__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Prepayments and amounts released from the Reserve Account in connection with Prepayments will be allocated to the payment at maturity and redemption of Bonds and any Parity Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds and such amounts shall be applied to redeem Bonds and Parity Bonds as nearly as practicable on a pro rata basis among maturities in increments of \$5,000; provided, however, that, for Prepayments of less than \$50,000, the District may specify in a Certificate of an Authorized Representative that Prepayments be applied to one or more maturities of the Bonds or Parity Bonds so long as there is delivered to the Trustee a Certificate of the Independent Financial Consultant that, following such application of the Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Taxable Property are not less than 110% of Annual Debt Service in the Bond Year that begins in such Fiscal Year.

See the caption “SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds” for a discussion of the potential for a lower than expected yield on the Bonds as a result of a special mandatory redemption from prepayment of Special Taxes or proceeds of bonds of other community facilities districts.

Notice of Redemption. So long as the Bonds are held in book-entry form, notice of redemption will be sent by the Trustee to DTC and not to the Beneficial Owners of the Bonds under the DTC book-entry only system. Neither the District nor the Trustee is responsible for notifying the Beneficial Owners, who are to be notified in accordance with the procedures in effect for the DTC book-entry system. See Appendix H — “BOOK-ENTRY ONLY SYSTEM.”

The Trustee will give notice, in the name of the District, of the redemption of Bonds. Such notice of redemption will: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds selected for redemption, except that where all of the Bonds are subject to redemption, or all of the Bonds of one maturity are to be redeemed, the bond numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds are to be redeemed; (v) in the case of Bonds to be redeemed only in part, state the

portion of such Bond which is to be redeemed; (vi) state the date of issue of the Bonds as originally issued; (vii) state the rate of interest borne by each Bond being redeemed; and (viii) state any other descriptive information needed to identify accurately the Bonds being redeemed as specified by the Trustee. Such notice will further state that on the date fixed for redemption, there will become due and payable on each Bond, or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon will cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Trustee will mail a copy of such notice of redemption, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register, and to the original purchaser of any Bonds; provided, however, so long as the Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. The actual receipt by the Owner of any Bond of notice of such redemption is not a condition precedent to redemption, and neither the failure to receive nor any defect in such notice will affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as provided in the Indenture will be conclusive as against all parties and the Owner is not entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice will be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption will be sent not later than the date that notice of redemption is given to the Owners pursuant to the Indenture by first class mail or facsimile to the Depository and to any other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds as determined by the Trustee and to one or more of the national information services that the Trustee determines are in the business of disseminating notice of redemption of obligations such as the Bonds.

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

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption is conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if the District determines that such moneys will not be so received on or prior to the redemption date, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. If any condition stated in the redemption notice for an optional redemption shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Trustee shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Selection of Bonds for Redemption. If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or an integral multiple thereof. In selecting portions of such Bonds for redemption, the Trustee will treat such Bonds, as applicable, as representing that number of Bonds of \$5,000 denominations which is obtained by dividing the principal amount of such Bonds to be redeemed in part by \$5,000. The procedure for the selection of Parity Bonds for redemption may be modified as set forth in the Supplemental Indenture for such Parity Bonds. The Trustee will promptly notify the District in writing of the Bonds, or portions thereof, selected for redemption.

Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the District will execute and the Trustee will authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity.

Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in the Indenture, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption: (i) the Bonds, or portions thereof, designated for redemption will, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Indenture, anything in the Indenture or in the Bonds to the contrary notwithstanding; (ii) upon presentation and surrender thereof at the office of the Trustee, the redemption price of such Bonds will be paid to the Owners thereof; (iii) as of the redemption date the Bonds, or portions thereof so designated for redemption will be deemed to be no longer Outstanding and such Bonds, or portions thereof, will cease to bear further interest; and (iv) as of the date fixed for redemption no Owner of any of the Bonds, or portions thereof so designated for redemption will be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

Registration, Transfer and Exchange

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

Transfer or Exchange. Subject to the limitations set forth in the following paragraph, the registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Owner or his or her duly authorized attorney.

Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds for other authorized denominations of the same maturity and issue. The Trustee may not collect from the Owner any charge for any new Bond issued upon any exchange or transfer, but will require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds are surrendered for registration of transfer or exchange, the District will execute and the Trustee will authenticate and deliver a new Bond or Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee is not required to register transfers or make exchanges of: (i) Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed; or (ii) any Bonds chosen for redemption.

SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

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

The Special Taxes are the primary source of security for the repayment of the Bonds. Under the Indenture, the District has pledged to repay the Bonds from the Net Taxes (which are Special Tax revenues remaining after the payment of the annual Administrative Expenses in an amount not to exceed the Administrative Expenses Cap (as defined in the Indenture)) and from amounts held in the Special Tax Fund (other than amounts held in the Administrative Expense Account therein). Special Tax revenues include the proceeds of the annual Special Tax levy received by the District for Improvement Area No. 2, including any scheduled payments and Prepayments thereof, and the net proceeds of the redemption of delinquent Special

Taxes or sale of property sold as a result of foreclosure of the lien of delinquent Special Taxes to the amount of said lien, and penalties and interest thereon; provided that any delinquent Special Tax sold to an independent third-party or to the County for 100% of the delinquent amount will no longer be pledged under the Indenture to the payment of the Bonds or Parity Bonds.

In the event that the Special Tax revenues are not received when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Trustee in the Special Tax Fund (other than the Administrative Expense Account therein), including amounts held in the Reserve Account therein, for the exclusive benefit of the Owners of the Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE COUNTY BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE NET TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

Authorization and Pledge. In accordance with the provisions of the Act, the County established the District on March 9, 2021 for the purpose of financing of various public improvements required in connection with the proposed development within the District. On April 5, 2022, the Board of Supervisors adopted a resolution accepting the Unanimous Consents and Approvals of certain property owners to annex the property that they each owned as Improvement Area No. 2 of the District. The Unanimous Consents and Approvals approved the annexation of the property as Improvement Area No. 2, the incurring of indebtedness for Improvement Area No. 2 in a principal amount not to exceed \$47,500,000 and the levy of the Special Tax within Improvement Area No. 2 to repay indebtedness issued for Improvement Area No. 2, including the Bonds.

The Bonds will be repaid only from annual Net Taxes derived from the levy and collection of Special Taxes pursuant to the Rate and Method. The Rate and Method permits the prepayment of Special Taxes under certain circumstances, and any such Prepayments will be applied to redeem Bonds and Parity Bonds, if any. The Net Taxes collected from the annual Special Tax levy and the proceeds of any Prepayment have been pledged under the Indenture to the repayment of the Bonds and Parity Bonds.

The Special Taxes levied in any Fiscal Year may not exceed the maximum rates authorized pursuant to the Rate and Method. See “— *Rate and Method of Apportionment of Special Tax*” and Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” There is no assurance that the Net Taxes will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See the caption “SPECIAL RISK FACTORS — Insufficiency of Special Tax Revenues.”

Rate and Method of Apportionment of Special Tax. The Rate and Method applicable to the District is contained in Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” The meaning of the defined terms used in this section are as set forth in Appendix A.

In general, the Rate and Method imposes a different Maximum Special Tax on Taxable Property within Improvement Area No. 2 depending upon whether such Taxable Property is classified as: (a) “Developed Property” (in general, all Taxable Property 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); (b) “Final Mapped Property (in general, 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); (c) “Undeveloped Property” (in general, all Assessor’s Parcels of Taxable Property which are not Developed Property, Final Mapped Property, Public Property, or Property Owner’s Association Property); (iv)

“Public Property” (in general, any property within Improvement Area No. 2 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); or (v) “Property Owner’s Association Property” (in general, any property within Improvement Area No. 2 owned by a Property Owner Association or a transportation management organization as of January 1 of the prior Fiscal Year). Different Maximum Special Taxes are also applicable to Developed Property depending upon: (a) its status as either “Residential Property,” “Apartment Property” or “Non-Residential Property,” and (b) in the case of Residential Property, its status as “Detached Property,” “Cluster Property” or “Attached Property.”

Pursuant to the Rate and Method the District is required to determine the “Special Tax Requirement” for each Fiscal Year. The Special Tax Requirement for Improvement Area No. 2 is the amount required in any Fiscal Year to pay: (i) debt service on all outstanding Bonds and Parity Bonds, (ii) periodic costs on the Bonds and Parity Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds and Parity Bonds; (iii) Administrative Expenses, (iv) any amounts required to establish or replenish any reserve funds for all outstanding Bonds and Parity 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) 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) for reasonably anticipated Special Tax delinquencies based on the historical delinquency rate for Improvement Area No. 2 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.

The Special Tax Requirement for the District is to be satisfied first by levying the Special Tax Proportionately (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 or Parity Bonds secured by the Special Tax, (b) the third Fiscal Year following the Fiscal Year in which the first series of Bonds or Parity 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. If additional monies are needed to satisfy the Special Tax Requirement, the Special Tax will 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. If additional moneys are still needed to satisfy the Special Tax Requirement, the Special Tax will 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. If additional moneys are needed to satisfy the Special Tax Requirement, the Special Tax on each Assessor’s Parcel of Developed Property whose Maximum Special Tax is the Backup Special Tax will be increased Proportionately from the Assigned Special Tax up to 100% of the Maximum Special Tax. If additional moneys are needed to satisfy the Special Tax Requirement, the Special Tax will 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. Finally, if additional moneys are needed to satisfy the Special Tax Requirement, the Special Tax will 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 Tax levied 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.

Based on development status as of May 1, 2024, Special Taxes will be levied on 342 parcels of Developed Property and 10 parcels of Final Mapped Property for the Fiscal Year 2024-25 Special Tax levy.

The Fiscal Year Assigned Special Tax rates for each Land Use Class of Developed Property are set forth in Table 1 to the Rate and Method, which is attached to this Official Statement as Appendix A. The Assigned Special Tax rates for Developed Property increase by 2.00% per Fiscal Year from the amounts in Appendix A, commencing on July 1, 2023.

Annual Debt Service for the Bonds has been structured so that Developed Property at buildout levied at the Assigned Special Tax rates, assuming no delinquencies, will generate in each Fiscal Year not less than the Administrative Expenses Cap plus 110% of debt service payable with respect to the Bonds in the calendar year that begins in that Fiscal Year, assuming that Special Taxes are levied and collected on such Developed Property pursuant to the Rate and Method.

Backup Special Tax Rates. For each Final Map, the Backup Special Tax for Residential Property is calculated by multiplying the Backup Special Tax per acre shown in Table 2 in the Rate and Method by the total Acreage of all Assessor's Parcels of Residential Property in such Final Map, and dividing such product by the number of Dwelling Units of Residential Property in such Final Map. The Backup Special Tax for Non-Residential Property in a Final Map for Fiscal Year 2024-25 is \$60,674 per Acre. On each July 1, the Backup Special Tax rate for each Final Map shall be increased by an amount equal to two percent of the amount in effect for the previous Fiscal Year.

Prepayment of Special Taxes. The Maximum Special Tax obligation may be prepaid and permanently satisfied in whole or in part 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 the Rate and Method. The prepayment amount is calculated based on the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance Amount, Administrative Fees and Expenses and less a credit for the resulting reduction in the Reserve Requirement for the Bonds (if any) and less capitalized interest (if any), all as specified in Section G of the Rate and Method attached as Appendix A. Prepayments of Special Taxes will be applied to effect an extraordinary redemption of Bonds and Parity Bonds. See "THE BONDS — Redemption — *Special Mandatory Redemption from Special Tax Prepayments.*"

Estimated Debt Service Coverage. In connection with the issuance of the Bonds, the Special Tax Consultant will certify that the Maximum Special Tax that may be levied in each Fiscal Year on Assessor's Parcels within Improvement Area No. 2 classified as Taxable Property will be at least equal to the sum of: (i) 110% of Maximum Annual Debt Service on the Bonds; plus (ii) the Administrative Expenses Cap. Actual collections of the Special Tax will depend on the amount of Special Tax delinquencies.

Table 1 below illustrates that the debt service coverage from Net Taxes based on certain assumptions. Interest on a portion of the Bonds is being capitalized through September 1, 2025. Table 1 sets forth the debt service coverage based on the estimated Special Tax levy in Fiscal Year 2024-25 for the Bond Year ending September 1, 2025 assuming that in Fiscal Year 2024-25 the maximum Assigned Special Tax is levied on Developed Property and the Maximum Special Tax is levied on Final Mapped Property existing in Improvement Area No. 2 as of May 1, 2024. The assumptions for the remaining Fiscal Years are set forth in the footnotes to Table 1. If necessary, the District may levy Special Taxes on Final Mapped Property and Undeveloped Property in future years to satisfy the Special Tax Requirement.

TABLE 1
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
ESTIMATED BOND DEBT SERVICE COVERAGE

<i>Bond Year Ending September 1</i>	<i>Developed Special Tax Revenues⁽¹⁾⁽²⁾</i>	<i>Final Mapped Special Tax Revenues⁽¹⁾⁽³⁾</i>	<i>Undeveloped Special Tax Revenues⁽¹⁾⁽⁴⁾</i>	<i>Annual Administrative Expenses⁽⁵⁾</i>	<i>Net Special Tax Revenues from Developed Property</i>	<i>Net Special Tax Revenues from All Taxable Property</i>	<i>Series 2024 Debt Service[*]</i>	<i>Debt Service Coverage from Developed Property^{(6)*}</i>	<i>Debt Service Coverage from All Taxable Property^{(7)*}</i>
2025	\$ 987,646	\$ 42,872	\$ 0	\$ 76,500	\$ 911,146	\$ 954,018	\$ 866,582 ⁽⁸⁾	105.14%	110.09%
2026	1,482,668	210,554	43,063	78,030	1,404,638	1,658,254	1,506,750	93.22	110.06
2027	1,636,985	83,722	0	79,591	1,557,394	1,641,116	1,489,250	104.58	110.20
2028	1,715,332	0	0	81,182	1,634,150	1,634,150	1,482,250	110.25	110.25
2029	1,749,639	0	0	82,806	1,666,833	1,666,833	1,515,250	110.00	110.00
2030	1,784,632	0	0	84,462	1,700,170	1,700,170	1,541,250	110.31	110.31
2031	1,820,325	0	0	86,151	1,734,173	1,734,173	1,575,500	110.07	110.07
2032	1,856,731	0	0	87,874	1,768,857	1,768,857	1,607,500	110.04	110.04
2033	1,893,866	0	0	89,632	1,804,234	1,804,234	1,637,250	110.20	110.20
2034	1,931,743	0	0	91,425	1,840,318	1,840,318	1,669,750	110.22	110.22
2035	1,970,378	0	0	93,253	1,877,125	1,877,125	1,704,750	110.11	110.11
2036	2,009,785	0	0	95,118	1,914,667	1,914,667	1,737,000	110.23	110.23
2037	2,049,981	0	0	97,020	1,952,961	1,952,961	1,771,500	110.24	110.24
2038	2,090,981	0	0	98,961	1,992,020	1,992,020	1,808,000	110.18	110.18
2039	2,132,800	0	0	100,940	2,031,860	2,031,860	1,846,250	110.05	110.05
2040	2,175,456	0	0	102,959	2,072,497	2,072,497	1,881,000	110.18	110.18
2041	2,218,965	0	0	105,018	2,113,947	2,113,947	1,917,250	110.26	110.26
2042	2,263,345	0	0	107,118	2,156,226	2,156,226	1,959,750	110.03	110.03
2043	2,308,612	0	0	109,261	2,199,351	2,199,351	1,998,000	110.08	110.08
2044	2,354,784	0	0	111,446	2,243,338	2,243,338	2,037,000	110.13	110.13
2045	2,401,880	0	0	113,675	2,288,205	2,288,205	2,076,500	110.20	110.20
2046	2,449,917	0	0	115,948	2,333,969	2,333,969	2,121,250	110.03	110.03
2047	2,498,915	0	0	118,267	2,380,648	2,380,648	2,160,750	110.18	110.18
2048	2,548,894	0	0	120,633	2,428,261	2,428,261	2,205,000	110.13	110.13
2049	2,599,872	0	0	123,045	2,476,826	2,476,826	2,248,500	110.15	110.15
2050	2,651,869	0	0	125,506	2,526,363	2,526,363	2,296,000	110.03	110.03
2051	2,704,906	0	0	128,016	2,576,890	2,576,890	2,342,000	110.03	110.03
2052	2,759,005	0	0	130,577	2,628,428	2,628,428	2,386,250	110.15	110.15
2053	2,814,185	0	0	133,188	2,680,996	2,680,996	2,433,500	110.17	110.17
2054	2,870,468	0	0	135,852	2,734,616	2,734,616	2,483,250	110.12	110.12

^{*} Preliminary, subject to change.

- (1) Based on projected development set forth in the Market Absorption Study and development projections provided by the Master Developer. Actual Special Tax Revenues will reflect development status as of the May 1 prior to the start of such Fiscal Year.
- (2) For Fiscal Year 2024-25, Special Tax revenues are equal to 100.00% of the proposed Assigned Special Tax for 342 units classified as Developed Property as of May 1, 2024. For Fiscal Year 2024-25, Special Tax revenues excludes 54 units that were issued building permits as of May 1, 2024 but for which a Final Map was not recorded as of January 1, 2024. As a result, such units are classified as Undeveloped Property in Fiscal Year 2024-25. For Fiscal Year 2025-26 and Fiscal Year 2026-27, Special Tax revenues are equal to 100.00% of the Assigned Special Tax for an estimated 478 and 509 units, respectively, expected to be classified as Developed Property. For Fiscal Year 2027-28 and each year thereafter, Special Tax revenues are equal to 100.00% of the Assigned Special Tax for an estimated 520 units expected to be classified as Developed Property. The proposed Assigned Special Tax escalates each year by 2.00%.
- (3) For Fiscal Year 2024-25, Final Mapped Special Tax Revenues are equal to 100.00% of the Maximum Special Tax based on development as of Final Map Recordings as of January 1, 2024 and development status as of May 1, 2024. For Fiscal Year 2025-26 and Fiscal Year 2026-27, Final Mapped Special Tax Revenues equal to 100.00% of the Maximum Special Tax based on expected development. Final Mapped Special Tax revenues are estimated and subject to change based on Final Map recordings as of January 1 and development status as of the May 1 prior to the start of such Fiscal Year.
- (4) For Fiscal Year 2024-25, Undeveloped Property will not be levied. For Fiscal Year 2025-26, Undeveloped Special Tax revenues are equal to 100.00% of the Maximum Special Tax based on expected development. Undeveloped Special Tax Revenues are estimated and subject to change based on Final Map recordings as of January 1, 2025 and development status as of May 1, 2025.
- (5) Based on \$76,500 in administrative expenses, escalated each year by 2.00%.
- (6) Calculated by dividing the Net Special Tax Revenues from Developed Property column by the Series 2024 Debt Service column.
- (7) Calculated by dividing the Net Special Tax Revenues from All Taxable Property column by the Series 2024 Debt Service column.
- (8) Debt service shown is net of the amount to be paid from capitalized interest.

Limitation on Special Tax Levy and Potential Impact on Coverage. Pursuant to Section 53321(d) of the Government Code, the special tax levied against any assessor's parcel for which an occupancy permit for private residential use has been issued will not be increased as a consequence of delinquency or default by the owner of any other assessor's parcel within Improvement Area No. 2 by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the District may not be able to increase the tax levy to the Assigned Special Tax in all years.

Levy, Collection and Application of Special Taxes. The Special Taxes are levied and collected by the Treasurer and Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes, although it is possible that the District could elect to provide handbills to property owners within the District.

The District will covenant in the Indenture that each year it will levy Special Taxes up to the maximum rates permitted under the Rate and Method in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay the principal of and interest on any Outstanding Bonds and Parity Bonds, to replenish the Reserve Account to the Reserve Requirement and to pay Administrative Expenses.

The District will make certain covenants in the Indenture which are intended to ensure that the current maximum Special Tax rates and method of collection of the Special Taxes are not altered in a manner that would impair the District's ability to collect sufficient Special Taxes to pay debt service on the Bonds, Parity Bonds and Administrative Expenses when due.

First, the District will covenant in the Indenture that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

Second, the District will covenant in the Indenture, to the maximum extent that the law permits it to do so, not to initiate proceedings to reduce the maximum Special Tax rates for Improvement Area No. 2, unless, in connection therewith, the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within Improvement Area No. 2 to an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such proposed reduction; and (ii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds.

Third, the District will covenant in the Indenture that, in the event that any initiative is adopted by the qualified electors within Improvement Area No. 2 which purports to reduce the maximum Special Tax below the levels specified in the preceding paragraph or to limit the power of the District to levy the Special Taxes for the purposes set forth in the Indenture, it will commence and pursue legal action in order to preserve its ability to comply with such covenants. The District can provide no assurance that any such legal action will be successful. See the caption "SPECIAL RISK FACTORS — Proposition 218."

Fourth, the District will covenant in the Indenture that it will not adopt any policy pursuant to the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District has first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Net Taxes to pay the principal of and interest on the Bonds and Parity Bonds when due.

See Appendix E under the caption "COVENANTS AND WARRANTY."

Although the Special Taxes constitute liens on taxed parcels within Improvement Area No. 2, they do not constitute a personal indebtedness of the owners of property within Improvement Area No. 2. Moreover, other liens for taxes and assessments already exist on the property located within Improvement Area No. 2 and

others could come into existence in the future in certain situations without the consent or knowledge of the County or the property owners in Improvement Area No. 2. See the captions “THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Direct and Overlapping Debt” and “SPECIAL RISK FACTORS — Direct and Overlapping Indebtedness.” There is no assurance that property owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so, all as more fully described under the caption “SPECIAL RISK FACTORS.”

Proceeds of Foreclosure Sales. The net proceeds received following a judicial foreclosure sale of property within Improvement Area No. 2 resulting from a property owner’s failure to pay the Special Taxes when due are included within the Net Taxes pledged to the payment of principal of and interest on the Bonds and any Parity Bonds under the Indenture.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Taxes levied, the Board of Supervisors, as the legislative body of the District, may order that Special Taxes be collected by a Superior Court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District will covenant in the Indenture for the benefit of the Owners of the Bonds and any Parity Bonds that it will: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement.

The District will covenant in the Indenture that it will deposit the net proceeds of any foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds. See APPENDIX E — “SUMMARY OF THE INDENTURE — COVENANTS AND WARRANTY — Covenants” herein.

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

Collection of Special Taxes and Flow of Funds. The Special Taxes will be levied and collected by the Treasurer and Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes, although it is possible that the District could elect to provide handbills to property owners within

Improvement Area No. 2. When the County apportions Special Taxes to the District, the District will transmit the Special Taxes to the Trustee for deposit in the Special Tax Fund established by the Indenture.

Except for Prepayments, which will be deposited to the Redemption Account of the Special Tax Fund, the Trustee will, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund to be held in trust for the Owners. The Trustee will transfer the Special Taxes on deposit in the Special Tax Fund on the dates, in the amounts and in the following order of priority:

- First: To the Administrative Expense Account in an amount up to the Administrative Expenses Cap.
- Second: To the Interest Account, an amount such that the balance in the Interest Account one Business Day prior to each Interest Payment Date is equal to the installment of interest due on the Bonds and any Parity Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account will be used for the payment of interest on the Bonds and any Parity Bonds as the same become due.
- Third: To the Principal Account, an amount such that the balance in the Principal Account one Business Day prior to September 1 of each year, commencing September 1, 2025, is equal to the principal payment due on the Bonds and any Parity Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal of such Bonds and any Parity Bonds as the same become due at maturity.
- Fourth: To the Redemption Account, the amount needed to make the balance in the Redemption Account one Business Day prior to each September 1 on which a Sinking Fund Payment is due equal to the Sinking Fund Payment due on any Outstanding Bonds and Parity Bonds on such September 1; provided, however, that, if amounts in the Special Tax Fund are inadequate to make the foregoing transfers, then any deficiency will be made up by an immediate transfer from the Reserve Account, if funded, pursuant to the Indenture; and thereafter, to pay the principal and premium, if any, due in connection with an optional redemption of Bonds or Parity Bonds.
- Fifth: To the Reserve Account of the Special Tax Fund to the extent necessary to replenish the Reserve Account to the Reserve Requirement.
- Sixth: To the Administrative Expense Account of the Special Tax Fund the amount of any Administrative Expenses for the current Bond Year in excess of the Administrative Expenses Cap as directed by the County.
- Seventh: To the Rebate Fund established by the Indenture to the extent directed by the County pursuant to the Indenture.
- Eighth: To the Surplus Fund established by the Indenture such remaining amounts in the Special Tax Fund after making the foregoing transfers on September 1.

Reserve Account of the Special Tax Fund

In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Account and thereafter to maintain in the Reserve Account an amount equal to the Reserve Requirement. The term "Reserve Requirement" is defined in the Indenture to mean, that amount as of any date of calculation, equal to the lesser of: (i) 10% of the initial principal amount of

the Bonds and Parity Bonds, if any; (ii) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; provided, however, that the Reserve Requirement shall not exceed \$ _____ except in connection with the issuance of Parity Bonds. The Reserve Requirement may be satisfied in whole or in part by cash, a Reserve Policy (as defined in the Indenture), or a combination thereof. On the date of issuance of the Bonds, the District will deposit \$ _____ from proceeds of the Bonds into the Reserve Account to satisfy the Reserve Requirement as of the Delivery Date of the Bonds.

Subject to the limits on the maximum annual Special Tax levy set forth in the Rate and Method and in the Indenture, the District will covenant in the Indenture to levy Special Taxes in an amount sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Reserve Account at the Reserve Requirement. Amounts in the Reserve Account are to be applied: (i) to pay debt service on the Bonds, or any Parity Bonds, including Sinking Fund Payments, to the extent that other monies are not available therefor; (ii) to redeem Bonds or Parity Bonds in the event of prepayment of Special Taxes, to optionally redeem Bonds or Parity Bonds or in connection with a partial defeasance of Bonds or Parity Bonds, in accordance with the Indenture; and (iii) to pay any rebate requirements. See Appendix E under the caption “CREATION OF FUNDS AND APPLICATION OF PROCEEDS — Reserve Account of the Special Tax Fund.”

Parity Bonds

Under the Indenture, the District may issue Parity Bonds for Improvement Area No. 2, to finance additional public improvements benefiting the District in a principal amount not to exceed \$20,290,000*, or to refund the Bonds or any Parity Bonds, subject to the following specific conditions, among others, which are conditions precedent to the issuance of such Parity Bonds:

(a) The District shall have received the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Parity Bonds by the Trustee (unless the Trustee shall be directed by the District to accept any of such documents bearing a prior date):

(1) a certified resolution of the Board of Supervisors, acting as the legislative body of the District, authorizing the issuance of such Parity Bonds;

(2) a written request of the District as to the delivery of such Parity Bonds;

(3) an opinion of Bond Counsel and/or general counsel to the District to the effect that: (i) the District has the right and power under the Act to execute and deliver the Supplemental Indenture relating to such Parity Bonds, and such Supplemental Indenture has been duly and lawfully executed by the District, and the Indenture and such Supplemental Indenture are in full force and effect and are valid and binding upon the District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights); (ii) the Indenture creates the valid pledge which it purports to create of the Net Taxes and other amounts as provided in the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; and (iii) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors’ rights) and the terms of the Indenture and the Supplemental Indenture executed and delivered in connection with such Parity Bonds and are entitled to the benefits of the Indenture and such Supplemental Indenture, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and the Indenture and such Supplemental Indenture; and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax-exempt basis, or

* Preliminary, subject to change.

the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued;

(4) a certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of the Indenture;

(5) where the Parity Bonds are issued to refund the Bonds or other Parity Bonds, a certificate of an Independent Financial Consultant certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds;

(6) where the Parity Bonds are being issued other than to refund the Bonds or other Parity Bonds, a Certificate of the Special Tax Administrator certifying that (i) the maximum Special Taxes that may be levied in each Fiscal Year is not less than 110% of the Annual Debt Service in the Bond Year that begins in such Fiscal Year; and (ii) the Value of Improvement Area Property is not less than six times the sum of Direct Debt for Improvement Area Property plus Overlapping Debt allocable to all property in the Improvement Area subject to the Special Tax. For purposes of the foregoing Certificate of the Special Tax Administrator, all calculations shall consider the Parity Bonds proposed to be issued to be Outstanding.

See Appendix E under the caption “DEFEASANCE AND PARITY BONDS.”

THE DISTRICT AND IMPROVEMENT AREA NO. 2

General Description of the District and Improvement Area No. 2

Improvement Area No. 2 is located in an unincorporated portion of the County approximately 35 miles northwest of downtown Los Angeles, 15 miles north of the San Fernando Valley and is adjacent to the City of Santa Clarita. The property within Improvement Area No. 2 is part of Mission Village, which is the first phase of development of the larger Valencia Project. The Valencia Project (formerly referred to as “Newhall Ranch”) is a mixed-use, master-planned community in the County that is planned to encompass approximately 15,000 acres and is designed to include approximately 21,500 homesites, approximately 11.5 million square feet of commercial space, approximately 50 miles of trails, approximately 275 acres of community parks and approximately 10,000 acres of protected open space. Mission Village is approximately 1,262 acres and is planned for approximately 4,055 residential units and approximately 1.6 million square feet of commercial space.

Improvement Area No. 2 consists of 65 gross acres that is anticipated to be developed as 834 residential units and represents the second phase of Mission Village. The first phase of Mission Village is included in Improvement Area No. 1 of the District and is planned for 1,268 residential units. The development in Improvement Area No. 1 is substantially complete and all homes are expected to be conveyed to individual homeowners by the end of 2025.

The Master Developer has conveyed all of the property within Improvement Area No. 2 planned for residential development to four Merchant Builders or their land banking entities, as applicable. The Merchant Builders expect to build a total of 834 residential units within Improvement Area No. 2. As of May 13, 2024, 76 homes had been completed and conveyed by the Merchant Builders to individual homeowners and the Merchant Builders (or their respective land bank entities, as further described herein) collectively owned 758 lots which were in various stages of construction. As of May 13, 2024, building permits had been issued for 342 of the 834 planned residential units within Improvement Area No. 2. For more information with respect to the Master Developer, the Merchant Builders and the proposed development within Improvement Area No. 2, see the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

The District was formed and Improvement Area No. 2 was annexed thereto in 2022 by the Board of Supervisors under the Act to provide for the financing of public improvements to meet the needs of new development. The Master Developer and the other owners of the property within Improvement Area No. 2 authorized the District to incur bonded indebtedness for Improvement Area No. 2 to finance certain public facilities to meet the needs of new development within the District and approved the Rate and Method for Improvement Area No. 2 and authorized the levy of the Special Tax.

At the time the District was formed, the Board designated additional property within the larger Valencia Project area for future annexation to the District pursuant to the provisions of the Act, including Improvement Area No. 2. The Developer's expectation is that additional property will be annexed to the District as separate improvement areas as development therein is anticipated to commence. **No special taxes levied within Improvement Area No. 1 of the District or within any other property that is annexed to the District in the future as an improvement area is available to pay debt service on the Bonds.**

Approximately ____ acres of property in Improvement Area No. 2 are expected to be subject to the Special Tax at build-out. The remaining property within Improvement Area No. 2 consists generally of open space, property to be owned by a homeowner association, and public property. The development within Improvement Area No. 2 is planned for nine residential projects consisting of 834 for-sale residential units, all of which are expected to be market-rate. The remaining nonresidential property within Improvement Area No. 2 is anticipated to be used for recreational facilities, parks and open space and is not anticipated to be subject to the Special Tax. Recreational facilities located within Improvement Area No. 2 are expected to include a park site with amenities such as pools, community lounges and gardens and playgrounds.

The area included in Improvement Area No. 2 has been graded and major infrastructure (sewer, water, storm drains, utilities, and arterial roads) to be installed by the Master Developer within Improvement Area No. 2 is substantially complete. Improvement Area No. 2 is accessed via Commerce Center Drive and Magic Mountain Parkway, which border the northwestern and southern boundaries of Improvement Area No. 2, respectively. The Merchant Builders are responsible for completing all in-tract improvements within their respective projects in Improvement Area No. 2.

The property within Improvement Area No. 2 is located in an Alquist-Priolo Earthquake Study Zone, but is not located within one-half mile of an active earthquake fault. The property within Improvement Area No. 2 is located in an area which the Department of Forestry and Fire Protection of the State of California has designated as a very high fire hazard severity zone. The property within Improvement Area No. 2 may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. See "SPECIAL RISK FACTORS — Natural Disasters."

A map showing the location of the District and an aerial photograph thereof appear following the Table of Contents.

Authorized Uses of Bond Proceeds

At the time the District was established, the estimated total cost of the facilities eligible to be financed with the proceeds of the bonds to be issued by the District, which includes the Bonds and any bonds issued by the District for Improvement Area No. 2, Improvement Area No. 2 and future improvement areas that may be annexed to the District, was approximately \$1.2 billion. The facilities authorized to be financed by the District and acquired by the respective public agencies with the proceeds of bonds to be issued by the District, consist of roadway improvements, water and sewer facilities (including, without limitation, domestic and non-domestic water facilities, wells, reservoirs, pipelines, storm and sewer drains and related infrastructure and improvements), wet and dry utilities, bridges and pedestrian bridges, parks, fire stations, and library facilities and equipment, and related infrastructure improvements, both onsite and offsite appurtenances and appurtenant work in connection with the foregoing (collectively, the "Facilities"). Approximately \$ ____ million in proceeds of the Bonds will be available to reimburse the Master Developer for eligible Facilities that have been constructed.

The costs of the Facilities in excess of available proceeds from the sale of the Bonds and any bonds to be issued for Improvement Area No. 2 and any future improvement area of the District are expected to be paid for by the Master Developer.

Market Absorption Study

In order to determine the projected absorption of the residential property within Improvement Area No. 2, the County engaged Empire Economics, Inc. (the “Market Absorption Consultant”) to perform a comprehensive analysis of the product mix characteristics as well as the macroeconomic and microeconomic factors that are expected to influence the absorption of the products within Improvement Area No. 2. The Market Absorption Consultant delivered its Market Absorption Study dated May 16, 2024 (the “Market Absorption Study”), in which the Market Absorption Consultant has concluded based on a statistical comparison of the currently active comparable projects to the currently active projects in Improvement Area No. 2 using their total housing prices (base price plus Special Tax liens) and their sizes of living area, that the projects in Improvement Area No. 2 are competitive in the marketplace.

Based on the assumptions and limiting conditions set forth in the Market Absorption Study, the Market Absorption Consultant has estimated the calendar year absorption schedules for the residential projects as follows:

<i>Year</i>	<i>Projected Absorption Schedule⁽¹⁾</i>
2024	187
2025	266
2026	239
2027	112
2028	<u>30</u>
Total	834

⁽¹⁾ Through May 13, 2024, 76 homes had been completed and conveyed to individual homeowners.
Source: The Market Absorption Consultant.

The absorption schedule for the property Improvement Area No. 2 is based on the estimate market-entry times for the projects as set forth in the Market Absorption Study. A complete copy of the Market Absorption Study is attached hereto as APPENDIX I. In connection with the delivery of the Bonds, the Market Absorption Consultant will provide a certificate to the effect that the Market Absorption Consultant is not aware of any event or act that occurred since the date of the Market Absorption Study which, in its opinion, would materially and adversely affect the conclusions set forth in the Market Absorption Study.

Appraisal Report

The estimated assessed value of the property within Improvement Area No. 2, as shown on the County’s assessment roll for Fiscal Year 2023-24 is approximately \$157,412,855. For various reasons, a property’s assessed value is not necessarily indicative of its market value. In order to provide information with respect to the market value of the taxable property within Improvement Area No. 2, the County engaged the Appraiser to prepare the Appraisal Report. The Appraiser has an “MAI” designation from the Appraisal Institute and has prepared numerous appraisals for the sale of land-secured municipal bonds. The Appraiser was selected by the County and has no material relationships with the County or the owners of the land within the District other than the relationship represented by the engagement to prepare the Appraisal Report. The County instructed the Appraiser to prepare its analysis and report in conformity with County-approved guidelines and the Appraisal Standards for Land Secured Financings published in 1994 and revised in 2004 by the California Debt and

Investment Advisory Commission. A copy of the Appraisal Report is included as Appendix D — “APPRAISAL REPORT” to this Official Statement.

The purpose of the Appraisal Report was to estimate the minimum market value of the property within Improvement Area No. 2 subject to the lien of the Special Taxes. The estimate of market value takes into consideration and assumes the improvements to be funded with the proceeds of the Bonds have been installed and that the remaining costs to develop each of the projects within Improvement Area No. 2 provided to the Appraiser by the Master Developer and the Merchant Builders are correct. As a result, the value conclusions are based upon a hypothetical condition that certain proceeds of the Bonds have been utilized to reimburse for a portion of construction costs for eligible improvements.

Subject to the assumptions and limiting conditions set forth in the Appraisal Report, the Appraiser concluded that, as of May 13, 2024, the minimum market value of the Taxable Property within Improvement Area No. 2 was \$246,779,546.

Table 2 below shows the appraised value of the various parcels owned by individual homeowners and the Merchant Builders as set forth in the Appraisal Report as of the Date of Value. The Master Developer has conveyed all lots planned for residential development in Improvement Area No. 2 to the Merchant Builders (or their land banking entities, as applicable) and certain Merchant Builders have conveyed additional homes to individual home owners. See Table 5 below and “PROPERTY OWNERSHIP AND THE DEVELOPMENT” below.

**TABLE 2
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SUMMARY OF APPRAISED VALUES**

<i>Owner</i>	<i>Parcels Owned as of the Date of Value⁽¹⁾</i>	<i>Appraised Value</i>
Individual Homeowners	76	\$60,695,000
Lennar Homes ⁽²⁾	519	116,483,215
KB	78	11,856,000
Tri Pointe ⁽²⁾	123	42,177,218
Richmond American	<u>38</u>	<u>15,568,113</u>
Total Appraised Value	<u>834</u>	<u>\$246,779,546</u>

⁽¹⁾ Based on ownership as of the Date of Value set forth in the Appraisal Report. Since the Date of Value, certain Merchant Builders have conveyed additional homes to individual homeowners. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT” below.

⁽²⁾ Certain of such parcels are owned by the land banking entities and are under contract to be acquired by such Merchant Builders from such land banking entities. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT” below.

Source: The Appraiser.

In estimating the market value of the property in Improvement Area No. 2, the Appraiser used the sales comparison approach and a land residual analysis, which discounts the revenue from future sales over an estimated absorption period and deducts all related direct and indirect expenses associated with sales of the parcels. The Appraiser noted that the estimated rate of absorption in the Market Absorption Study is generally consistent with the Appraiser’s estimates.

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in Appendix D. The County, the Underwriter and the District make no representation as to the accuracy of the Appraisal Report. There is no assurance that the property within Improvement Area No. 2 can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by the landowner. See “SPECIAL RISK FACTORS — Property Values,” Appendix D — “APPRAISAL REPORT.”

Estimated Appraised Value-to-Lien Ratios

The aggregate appraised value of property within Improvement Area No. 2 is \$246,779,546. Dividing the aggregate estimate of value by the principal amount of the Bonds results in a value to lien ratio of 9.07-to-1* for Improvement Area No. 2. See “SPECIAL RISK FACTORS — Direct and Overlapping Indebtedness.” The assessed value of the property within Improvement Area No. 2 is \$157,412,855 for Fiscal Year 2024-25. Dividing the assessed value by the principal amount of the Bonds and all other overlapping debt results in an estimated assessed value-to-lien ratio of 8.61-to-1* for Improvement Area No. 2. Table 3 below shows the appraised value-to-lien of the Taxable Property in Improvement Area No. 2 based on ownership and development status as of May 13, 2024.

* Preliminary, subject to change.

**TABLE 3
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
IMPROVEMENT AREA NO. 2 (VALENCIA FACILITIES)
APPRAISED VALUE-TO-LIEN RATIOS (EXPECTED FISCAL YEAR 2024-2025)**

<i>Property Classification/Owner/ Construction Status (1)(2)(3)</i>	<i>Number of Units/Lots</i>	<i>Estimated Fiscal Year 2024-2025 Special Tax Levy (4)</i>	<i>Percentage of Special Tax Levy (4)</i>	<i>CFD No. 2021- 01, IA No. 2 Series 2024 Outstanding Bond Amount (5)*</i>	<i>Newhall SD G.O. Outstanding Bond Amount (6)</i>	<i>Saugus USD G.O. Outstanding Bond Amount (6)</i>	<i>William S. Hart UHSD G.O. Outstanding Bond Amount (6)</i>	<i>Santa Clarita CCD G.O. Outstanding Bond Amount (6)</i>	<i>Total Direct and Overlapping Debt*</i>	<i>Appraised Value (7)</i>	<i>Appraised Value-to- Lien Ratio(8)*</i>
Developed Property											
Individual Owners (Completed Homes)	59	\$ 192,213	18.65%	\$ 5,075,228	\$ 22,121	\$ 1,676	\$ 119,264	\$ 152,686	\$ 5,370,975	\$ 48,795,000	9.08 to 1
Lennar of California Inc. (Completed Homes)	53	163,815	15.90	4,325,412	2,077	3,779	86,180	110,331	4,527,780	35,259,250	7.79 to 1
Lennar of California Inc. (Partially Completed Homes)	150	447,587	43.43	11,818,193	4,614	3,734	94,941	121,546	12,043,028	38,843,535	3.23 to 1
Lennar of California Inc. (Finished SFR Lots)	<u>80</u>	<u>184,030</u>	<u>17.86</u>	<u>4,859,177</u>	<u>0</u>	<u>1,677</u>	<u>34,725</u>	<u>44,456</u>	<u>4,940,035</u>	<u>14,207,230</u>	<u>2.88 to 1</u>
Subtotal - Developed Property	342	\$ 987,646	95.84%	\$26,078,009	\$ 28,812	\$ 10,867	\$ 335,109	\$429,019	\$26,881,817	\$137,105,014	5.10 to 1
Final Mapped Property											
Tri Pointe Homes Holdings Inc. (Finished SFR Lots)	10	\$ 42,872	4.16%	\$ 1,131,991	\$ 0	\$ 403	\$ 8,336	\$ 10,672	\$ 1,151,401	\$ 3,410,500	2.96 to 1
Undeveloped Property											
Individual Owners (Completed Homes)	17 ⁽⁹⁾	\$ 0	0.00%	\$ 0	\$ 0	\$ 1,405	\$ 29,086	\$ 37,237	\$ 67,727	\$ 11,900,000	175.70 to 1
Lennar of California Inc. (Unimproved SFR Lots)	236	0	0.00	0	0	3,326	68,860	88,158	160,344	28,173,200	175.70 to 1
Richmond American Homes of Maryland Inc. (Completed Homes)	4	0	0.00	0	0	314	6,502	8,323	15,139	2,660,000	175.70 to 1
Richmond American Homes of Maryland Inc. (Partially Completed Homes)	34	0	0.00	0	0	1,524	31,550	40,391	73,465	12,908,113	175.70 to 1
Tri Pointe Homes Holdings Inc. (Partially Completed Homes)	4	0	0.00	0	959	0	3,666	4,693	9,318	1,499,864	160.96 to 1
Tri Pointe Homes Holdings Inc. (Finished SFR Lots)	109	0	0.00	0	12,212	2,145	91,087	116,613	222,057	37,266,854	167.83 to 1
KB Home Greater Los Angeles Inc. (Unimproved SFR Lots)	<u>78</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>1,400</u>	<u>28,978</u>	<u>37,099</u>	<u>67,477</u>	<u>11,856,000</u>	<u>175.70 to 1</u>
Subtotal - Undeveloped Property	482	\$ 0	0.00%	\$ 0	\$ 13,171	\$ 10,114	\$ 259,728	\$332,514	\$ 615,527	\$106,264,031	172.64 to 1
Total	834	\$1,030,518	100.00%	\$27,210,000	\$ 41,984	\$ 21,383	\$ 603,174	\$772,205	\$28,648,746	\$246,779,546	8.61 to 1

* Preliminary, subject to change.

- (1) Categories reflect building permits issued as of May 13, 2024 and Final Maps recorded as of January 1, 2024. As of May 13, 2024, building permits had been issued for 396 units. However, a Final Map was not recorded for a total of 54 units as of January 1, 2024. As a result, such units are considered as Undeveloped Property in Fiscal Year 2024-25. The remaining 342 units are classified as Developed Property in Fiscal Year 2024-25.
- (2) Per the Rate and Method, for Fiscal Year 2024-25, Developed Property is property located within a Final Map that was recorded as of January 1, 2024 for which a building permit was issued prior to May 1, 2024. Final Mapped Property is property that is included in a Final Map recorded as of January 1, 2024 and for which a building permit has not been issued prior to May 1, 2024. Undeveloped Property is property located within a Final Map that was not recorded as of January 1, 2024.
- (3) Ownership and construction status based on Appraisal Report with a date of value of May 13, 2024.
- (4) Estimated Fiscal Year 2024-25 Special Tax levy equal to 100.00% of the Assigned Special Tax for Developed Property and 100.00% of the Maximum Special Tax for Final Mapped Property. The Assigned and Maximum Special Tax rates escalate each year by 2.00%.
- (5) Allocated based on expected Fiscal Year 2024-2025 Special Tax levy.
- (6) As of May 2, 2024. Allocated based on Fiscal Year 2023-24 levy.
- (7) Based on Appraisal Report with a date of value of May 13, 2024.
- (8) Calculated by dividing the Appraised Value column by the Total Direct and Overlapping Debt column.
- (9) Units were permitted in August/September 2023 but the Final Map was not recorded until February 2024, which is after the cutoff for Developed Property of January 1, 2024.

Table 4 below shows value-to-lien stratification of Developed Property and Final Mapped Property based on development status as of May 13, 2024.

TABLE 4
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
APPRAISED VALUE-TO-LIEN RATIOS (EXPECTED FISCAL YEAR 2024-2025)
DEVELOPED AND FINAL MAPPED PROPERTY ONLY⁽¹⁾⁽²⁾

<i>Appraised Value-to-Lien Ratio</i>	<i>Fiscal Year 2024-2025 Number of Units/Lots*</i>	<i>Appraised Value ⁽³⁾</i>	<i>CFD No. 2021-01, IA No. 2 Series 2024 Outstanding Bond Amount ^{(4)*}</i>	<i>Total Overlapping Debt*</i>	<i>Total Direct and Overlapping Debt*</i>
Less than 3:1 ⁽⁵⁾	58	\$ 12,370,943	\$ 5,002,964	\$ 70,408	\$ 5,073,371
Between 3:1 and 6.99:1	189	47,429,571	13,380,599	273,701	13,654,301
Between 7:1 and 10:1	80	60,650,500	6,985,115	354,905	7,340,020
Greater than 10:1	<u>25</u>	<u>20,064,500</u>	<u>1,841,322</u>	<u>124,205</u>	<u>1,965,527</u>
Total	352	\$140,515,514	\$ 27,210,000	\$ 823,218	\$ 28,033,218

* Preliminary, subject to change.

- (1) Reflects building permits issued as of May 13, 2024 and Final Maps recorded as of January 1, 2024. As of May 13, 2024, building permits had been issued for 396 units. However, a Final Map was not recorded for a total of 54 units as of January 1, 2024. As a result, such units are classified as Undeveloped Property in Fiscal Year 2024-25. The remaining 342 units are classified as Developed Property in Fiscal Year 2024-25.
- (2) Per the Rate and Method, Developed Property is property located within a Final Map that was recorded as of January 1, 2024 for which a building permit was issued prior to May 1, 2024. Undeveloped Property is property located within a Final Map that was not recorded as of January 1, 2024.
- (3) Value based on Appraisal Report with a date of value of May 13, 2024.
- (4) Allocated based on expected Fiscal Year 2024-2025 Special Tax levy.
- (5) Includes 8 partially completed homes and 50 finished SFR lots owned by Lennar of California Inc. and Tri Pointe Homes Holdings Inc. Construction status based on Appraisal Report with a date of value of May 13, 2024.

Table 5 below shows the estimated Fiscal Year 2024-25 Special Tax levy by property owner, based on ownership and the number of building permits issued as of May 13, 2024.

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**TABLE 5
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
ESTIMATED FISCAL YEAR 2024-25 SPECIAL TAX LEVY BY PROPERTY OWNER**

<i>Property Classification/Owner</i> ^(1,2,3)	<i>Number of Units/Lots</i>	<i>Estimated Fiscal Year 2024-2025 Special Tax Levy⁽⁴⁾</i>	<i>Percentage of Special Tax Levy⁽⁴⁾</i>
Developed Property			
Individual Owners	59	\$ 192,213	18.65%
Lennar of California Inc.	<u>283</u>	<u>795,433</u>	<u>77.19</u>
Subtotal - Developed Property	342	\$ 987,646	95.84%
Final Mapped Property			
Tri Pointe Homes Holdings Inc.	10	\$ 42,872	4.16%
Undeveloped Property			
Individual Owners	17 ⁽⁵⁾	\$ 0	0.00%
Lennar of California Inc.	236	0	0.00
Richmond American Homes of Maryland Inc.	38	0	0.00
Tri Pointe Homes Holdings Inc.	113	0	0.00
KB Home Greater Los Angeles Inc.	<u>78</u>	<u>0</u>	<u>0.00</u>
Subtotal - Undeveloped Property	482	\$ 0	0.00%
Total	834	\$ 1,030,518	100.00%

- (1) Reflects building permits issued as of May 13, 2024 and Final Maps recorded as of January 1, 2024. As of May 13, 2024, building permits had been issued for 396 units. However, a Final Map was not recorded for a total of 54 units as of January 1, 2024. As a result, such units are classified as Undeveloped Property in Fiscal Year 2024-25. The remaining 342 units are classified as Developed Property in Fiscal Year 2024-2025.
- (2) Per the Rate and Method, Developed Property is property located within a Final Map that was recorded as of January 1, 2024 for which a building permit was issued prior to May 1, 2024. Final Mapped Property is property that is included in a Final Map recorded as of January 1, 2024 and for which a building permit has not been issued prior to May 1, 2024. Undeveloped Property is property located within a Final Map that was not recorded as of January 1, 2024.
- (3) Ownership based on Appraisal Report with a date of value of May 13, 2024.
- (4) Estimated Fiscal Year 2024-25 Special Tax levy equal to 100.00% of the proposed Assigned Special Tax for Developed Property and 100.00% of the Maximum Special Tax for Final Mapped Property. The Assigned and Maximum Special Tax rates escalate each year by 2.00%.
- (5) Units were permitted in August/September 2023 but the Final Map was not recorded until February 2024, which is after the cutoff for Developed Property of January 1, 2024.

Direct and Overlapping Debt

Improvement Area No. 2 is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within Improvement Area No. 2 is shown in Table 6 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within Improvement Area No 1; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments.

**TABLE 6
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
DIRECT AND OVERLAPPING DEBT
AS OF MAY 2, 2024**

<i>Overlapping District</i>	<i>Actual Fiscal Year 2023-24 Total Levy</i>	<i>Amount of Levy on Parcels in IA No. 2 ⁽¹⁾</i>	<i>Percent of Levy on Parcels in IA No. 2 ⁽¹⁾</i>	<i>Total Debt Outstanding ^{(2)*}</i>	<i>District Share of Total Debt Outstanding ^{(3)*}</i>
Newhall School District G.O. Bonds	\$ 7,577,250	\$ 5,756	0.0760%	\$ 55,265,000	\$ 41,984
Saugus Union School District G.O. Bonds	21,172,034	3,793	0.0179	119,369,248	21,383
William S. Hart Union High School District G.O. Bonds	59,113,142	127,518	0.2157	279,610,598	603,174
Santa Clarita Community College District G.O. Bonds	44,171,376	92,130	0.2086	370,229,813	<u>772,205</u>
				Estimated Share of Overlapping Debt Allocable to IA No. 2	\$ 1,438,746*
				Plus the CFD No. 2021-01, IA No. 2 Series 2024 Bonds ⁽³⁾	<u>27,210,000*</u>
				Estimated Share of Direct and Overlapping Debt Allocable to IA No. 2	<u>\$28,648,746*</u>

* Preliminary, subject to change.

⁽¹⁾ The amount of levy shown herein is based on the Fiscal Year 2023-24 *ad-valorem* rates. Calculated by applying the corresponding *ad-valorem* rate to the appraised value. Actual *ad-valorem* amounts in future years will be based on the County of Los Angeles assessed values.

⁽²⁾ As of May 2, 2024.

⁽³⁾ Based on preliminary bond sizing dated June 11, 2024 provided by Stifel.

Table 7 below describes the estimated Fiscal Year 2024-25 effective tax burden for select classes of property within Improvement Area No. 2 based on pricing data provided by the Market Absorption Consultant, the Fiscal Year 2024-25 Special Tax levy at the Assigned Special Tax rates for Developed Property and Fiscal Year 2023-24 actual levies for all other overlapping taxing jurisdictions. Based on the foregoing and the Administrative Expenses Cap of \$76,500 (which amount shall escalate at 2% per Fiscal Year, commencing on July 1, 2025), in Fiscal Year 2024-25, the estimated effective tax rates within Improvement Area No. 2 range from approximately 1.78% to 1.85%. The Assigned Special Tax rates for Developed Property escalate at 2% per Fiscal Year.

**TABLE 7
COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
ESTIMATED FISCAL YEAR 2024-25 EFFECTIVE TAX RATES**

<i>FISCAL YEAR 2024-2025</i>	<i>CLUSTER PROPERTY (2,501 - 2,700 SF)</i>	<i>CLUSTER PROPERTY (2,301 - 2,500 SF)</i>	<i>CLUSTER PROPERTY (2,101 - 2,300 SF)</i>	<i>ATTACHED PROPERTY (>= 2,451 SF)</i>	<i>ATTACHED PROPERTY (2,301 - 2,450 SF)</i>	<i>ATTACHED PROPERTY (2,151 - 2,300 SF)</i>
<u>ESTIMATED ASSESSED VALUATION</u>						
HOME SIZE (SQUARE FEET)	2,550	2,335	2,246	2,449	2,317	2,159
CURRENT BASE SALES PRICE	\$ 913,857	\$ 873,675	\$ 853,584	\$ 674,585	\$ 663,600	\$ 641,300
<u>AD-VALOREM TAXES⁽¹⁾</u>						
	<i>RATE</i>	<i>AMOUNT</i>	<i>AMOUNT</i>	<i>AMOUNT</i>	<i>AMOUNT</i>	<i>AMOUNT</i>
PROP 13	1.000000%	\$ 9,138.57	\$ 8,736.75	\$ 8,535.84	\$ 6,745.85	\$ 6,636.00
SANTA CLARITA COMMUNITY COLLEGE DISTRICT	0.037333	341.17	326.17	318.67	251.84	239.42
ELEMENTARY SCHOOL DISTRICT	0.008767	80.12	76.60	74.83	59.14	56.22
WILLIAM S HART HIGH SCHOOL DISTRICT	0.051673	472.22	451.45	441.07	348.58	342.90
SANTA CLARITA VALLEY WATER AGENCY	<u>0.070600</u>	<u>645.18</u>	<u>616.81</u>	<u>602.63</u>	<u>476.26</u>	<u>452.76</u>
TOTAL GENERAL PROPERTY TAXES	1.168373%	\$ 10,677.26	\$ 10,207.78	\$ 9,973.04	\$ 7,881.67	\$ 7,492.78
<u>OVERLAPPING FIXED CHARGES⁽¹⁾</u>						
MOSQUITO ABATEMENT		\$ 18.97	\$ 18.97	\$ 18.97	\$ 18.97	\$ 18.97
COUNTY LIBRARY		33.86	33.86	33.86	33.86	33.86
COUNTY FIRE		75.15	75.15	75.15	75.15	75.15
COUNTY SOLID WASTE		3.51	3.51	3.51	3.51	3.51
NEWHALL RANCH SANITATION DISTRICT		696.60	696.60	696.60	525.45	525.45
COUNTY TRAUMA & EMERGENCY SERVICES		127.50	116.75	112.30	122.45	115.85
COUNTY PARK DISTRICT MEASURE A		46.16	42.26	40.65	44.33	41.94
COUNTY FLOOD CONTROL		24.00	24.00	24.00	24.00	24.00
COUNTY CFD NO. 2021-02 (VALENCIA - SERVICES) ⁽²⁾		646.37	646.37	646.37	542.63	542.63
COUNTY CFD NO. 2021-02 (VALENCIA - FACILITIES) ⁽²⁾		<u>3,973.29</u>	<u>3,748.56</u>	<u>3,566.49</u>	<u>3,221.00</u>	<u>3,155.00</u>
TOTAL SPECIAL ASSESSMENTS & CHARGES		\$ 5,645.41	\$ 5,406.03	\$ 5,217.90	\$ 4,611.35	\$ 4,536.36
PROJECTED TOTAL PROPERTY TAXES		\$ 16,322.66	\$ 15,613.82	\$ 15,190.95	\$ 12,493.02	\$ 12,289.68
PROJECTED TOTAL EFFECTIVE TAX RATE		1.79%	1.79%	1.78%	1.85%	1.85%

⁽¹⁾ Based on pricing data provided by the Market Absorption Consultant.
Source: DTA.

Delinquency History

The first installment of the Special Tax levy becomes delinquent on December 10 and the second installment becomes delinquent on April 10. In Fiscal Year 2023-24, which was the first fiscal year in which Special Taxes were levied, the District levied Special Taxes in the amount of \$19,981 and such amount has been paid.

PROPERTY OWNERSHIP AND THE DEVELOPMENT

The information provided under this caption has been included because it may be considered relevant to an informed evaluation and analysis of the Bonds and Improvement Area No. 2. No assurance can be given, however, that the proposed development of the property within Improvement Area No. 2 will occur, or that it will occur in a timely manner or in the configuration or to the density described herein, or that the Master Developer, the Merchant Builders, any affiliates thereof, or any other property owner described herein will or will not retain ownership of its property within Improvement Area No. 2.

Neither the Bonds nor the Special Taxes are personal obligations of any property owner within Improvement Area No. 2; and in the event that a property owner defaults in the payment of the Special Taxes, the District may proceed with judicial foreclosure but has no direct recourse to the assets of any property owner. As a result, other than as provided herein, no financial statements or information is, or will be, provided about the Master Developer, the Merchant Builders or any other property owners. The Bonds are secured solely by the Net Taxes and certain other assets pledged therefor under the Indenture.

The following information regarding ownership and planned development of Improvement Area No. 2 has been provided by the Master Developer or the respective Merchant Builders. No representation is made by the County or the District as to the accuracy or adequacy of such information so provided. Events may occur subsequent to the date of this Official Statement which may be materially adverse to the developments within Improvement Area No. 2 as described herein.

The Master Developer

The Newhall Land and Farming Company (A California Limited Partnership) (previously defined as “Master Developer”) is the master developer of the Valencia Project. The Master Developer is an indirect subsidiary of Five Point Holdings, LLC, a Delaware limited liability company and a publicly traded company (“Five Point Holdings”). Five Point Holdings, through the Master Developer and other subsidiaries or joint ventures, is one of the largest developers of mixed-use planned communities in coastal California, based on the total number of residential homesites permitted under existing entitled zoning. Along with the Valencia Project, Five Point Holdings also owns interests in and manages the planning and development of the Great Park Neighborhoods in the County of Orange, and owns and is developing the San Francisco Shipyard and Candlestick Point projects in the City and County of San Francisco. Each of these communities is expected to feature multi-generational housing, parks, green space and a blend of office, retail and commercial properties. The communities are expected to collectively provide approximately 40,000 residential homes and 20 million square feet of commercial space, along with approximately 15,000 acres of public parks and open space, and 10 new primary and secondary schools. Affordable housing is a key element of each community, with approximately 6,000 units planned.

The Master Developer is a wholly-owned subsidiary of Five Point Land, LLC, a Delaware limited liability company (“FPL”), which is ultimately owned by Five Point Holdings. The Master Developer is the developer of the majority of the land within the Valencia Project, and a separate wholly-owned subsidiary of FPL, Stevenson Ranch Venture, LLC, a Delaware limited liability company (“SRV”), is the developer of the remainder of the land within the Valencia Project.

Five Point Holdings is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, in accordance therewith, files reports, proxy statements, and other information, including financial statements, with the Securities and Exchange Commission (the “SEC”). Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Five Point Holdings and its consolidated subsidiaries as of such dates.

The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Five Point Holdings. The address of such website is www.sec.gov. All documents filed by Five Point Holdings pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of Five Point Holdings’ Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Five Point Holdings’ website at www.fivepoint.com.

The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Five Point Holdings and the Master Developer are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds.

The Valencia Project

Overview. The Valencia Project is a mixed-use, master-planned community in the County that spans approximately 15,000 acres and is designed to include approximately 21,500 homesites, approximately 11.5 million square feet of commercial space, approximately 50 miles of trails, approximately 275 acres of community parks and approximately 10,000 acres of protected open space (collectively, the “Valencia Project”). The actual commercial square footage and number of homesites for the Valencia Project are subject to change based on ultimate use and land planning. The Valencia Project will also include significant public facilities including roads, sewers, storm drains, utilities, wastewater treatment facilities, parks, trails, schools, fire station facilities, and other infrastructure. It is estimated that the total cost of the public facilities for the Valencia Project will be approximately \$2.0 billion.

The Valencia Project is located in an unincorporated portion of the County along the Santa Clara River in the western portion of the Santa Clarita Valley. The property is located approximately 35 miles northwest of downtown Los Angeles, 15 miles north of the San Fernando Valley and is adjacent to the City of Santa Clarita. The Valencia Project is adjacent to Interstate 5 and State Highway 126.

The Valencia Project is planned to consist of nine communities, described as follows:

<i>Community</i>	<i>Tract Map Number</i>	<i>Acres</i>	<i>Projected Number of Residential Units</i>	<i>Projected Commercial Square Feet</i>
Mission Village ⁽¹⁾	VTTM 61105	1,262	4,055	1,555,100
Landmark Village	VTTM 53108	293	1,444	1,033,000
Homestead - North	VTTM 072830	1,110	1,818	1,250,000
Homestead - South	VTTM 060678	1,745	3,617	66,400
Potrero Valley	VTTM 061911	2,500	4,385	245,000
Entrada - North	VTTM 071377	457	1,150	2,624,400
Entrada - South	VTTM 53295	382	1,574	730,000
Legacy Village ⁽²⁾	VTTM 061996	1,758	3,457	839,000
Valencia Commerce Center	VTPM 18108	<u>588</u>	<u>0</u>	<u>3,161,585</u>
Totals		10,095	21,500	11,504,485

(1) Improvement Area No. 2 is a part of Mission Village. Only the Special Taxes levied on property in Improvement Area No. 2 serve as security for the Bonds.

(2) Also known as Stevenson Ranch Phase 5.

Environmental Review. There have been multiple environmental review documents that have been certified for the Valencia Project, including: The Environmental Impact Report (“EIR”) for the Newhall Ranch Specific Plan; EIRs for Mission Village and Landmark Village; and an EIR for Valencia Commerce Center. Copies of these certified EIRs are on file with the appropriate department of the County of Los Angeles. In addition, the California Department of Fish and Wildlife (“CDFW”) and the U.S. Army Corps of Engineers (“USACE”) jointly prepared an EIR/Environmental Impact Statement (“EIR/EIS”) for the Resource Management and Development Plan / Spineflower Conservation Plan (“RMDP/SCP”) and the development facilitated by the RMDP/SCP, which includes development within Mission Village, Landmark Village, Homestead North, Homestead South, Potrero Valley, Entrada South and the Valencia Commerce Center. CDFW certified the EIR/EIS in compliance with the California Environmental Quality Act (“CEQA”), in connection with its issuance of natural resource permits for the RMDP/SCP. The EIR/EIS also satisfied the requirements of the National Environmental Policy Act (“NEPA”) with respect to the USACE’s issuance of a Clean Water Act permit for the RMDP. Additional environmental review will be undertaken as required by CEQA and/or NEPA for future development within the Valencia Project. All environmental approvals have been secured in order to complete the development in Improvement Area No. 2.

Improvement Area No. 2

General. Improvement Area No. 2 consists of 65 gross acres that are anticipated to be developed as 834 residential units and is a portion of the larger Mission Village development. In 2019, the first residential land sales were sold in Mission Village, the first development area in the Valencia Project. Mission Village is approved to include 4,055 homesites, including a mix of single-family detached homes, single-family attached homes, apartments and affordable units, and approximately 1.55 million square feet of commercial development. As of December 31, 2023, [2,595] homesites have been sold within the first development area (which does not include Improvement Area No. 2).

Sales to Merchant Builders. As of December 27, 2023, the Master Developer had conveyed all of the property in Improvement Area No. 2 that will ultimately be developed as 834 residential units to four Merchant Builders (or their land banking entities, as applicable), which are developing the property in Improvement Area No. 2 under the following names:

- Lennar Homes of California, LLC, a California limited liability company (“Lennar Homes”);
- KB HOME Greater Los Angeles, Inc., a California corporation (“KB”);
- Tri Pointe Homes Holdings, Inc., a Delaware corporation (“Tri Pointe Homes”); and

- Richmond American Homes of Maryland, Inc., a Maryland corporation (“Richmond”). A summary of the sales is as follows:

**Improvement Area No. 2
of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities)
Sales Status of Land in Improvement Area No. 2**

<i>Merchant Builder</i>	<i>Neighborhood (Planning Area)</i>	<i>Projected Total Number of Units</i>	<i>Date of Closing to Merchant Builder</i>
KB	[Iris] (C4b)	78	12/23/2021
Lennar Homes	Element (C5d)	88	12/30/2021
Lennar Homes	Outlook (C5c)	124	12/30/2021
Lennar Homes	Solaire (C2b)	58	12/30/2021
Lennar Homes	Peak (C5e)	58	12/30/2021
Lennar Homes	TBD (F4)	72	12/27/2023
Lennar Homes	TBD (F2/F21)	164	12/27/2023
Richmond American	Torrin (C5b)	69	12/30/2021
Tri Pointe	Lark (C4a/C5a)	<u>123</u>	12/21/2021
Total		834	

Source: Master Developer.

Two of the Merchant Builders - Lennar Homes and Tri Pointe – assigned their purchase and sale agreements to land banking companies (herein, the “Landbanks”), whereby the Landbanks own the land and the Merchant Builder holds an option (but not an obligation) to purchase the land in numerous installments over time pursuant to takedown schedules. The Landbanks are as follows:

1. For Lennar Homes in Planning Areas C2b, C5c, C5d, and C5e, the Landbank is AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership;
2. For Lennar Homes in Planning Areas F2/F21 and F4, the Landbank is – AG EHC II (LEN) CA 3, L.P., a Delaware limited partnership; and
3. For Tri Pointe in Planning Areas C4a/C5a, the Landbank is VALENCIA C4A & C5A – NEWHALL, L.P., a Delaware limited partnership.

See a further discussion of the land banking arrangements for each of the two Merchant Builders under the caption “Merchant Builders” herein.

Subdivision Map Status. All of the Merchant Builders’ property in Improvement Area No. 2 is being developed in accordance with the following Final Tract Maps, all of which have been recorded as of their respective dates shown below:

**Improvement Area No. 2
of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities)
Final Tract Map Status**

<i>Merchant Builder</i>	<i>Neighborhood (Planning Area)</i>	<i>Product Type</i>	<i>Total Number of Units</i>	<i>Final Maps</i>	<i>Final Map Recordation Date</i>
KB	[Iris] (C4b)	Single Family Attached	78	61105-28	11/3/2021
Lennar Homes	Element (C5d)	Single Family Attached	88	61105-30	11/3/2021
Lennar Homes	Outlook (C5c)	Single Family Attached	124	61105-29	11/3/2021
Lennar Homes	Solaire (C2b)	Single Family Detached Condo	58	61105-24, 61105-22	11/3/2021
Lennar Homes	Peak (C5e)	Single Family Detached Condo	58	61105-23A	TBD
Lennar Homes	TBD (F4)	Single Family Attached	72	61105-39	8/9/2023
Lennar Homes	TBD (F2/F21)	Single Family Attached	164	61105-01 LLA RPPL20230	10/2/2019
Richmond American	Torrin (C5b)	Single Family Detached Condo	69	61105-26 61105-27,	11/3/2021
Tri Pointe	Lark (C4a/C5a)	Single Family Detached Condo	123	61105-25, 61105-22	11/3/2021
Total			834		

Source: Master Developer.

Infrastructure Improvements for Improvement Area No. 2. The Master Developer is responsible for the construction of the backbone infrastructure for Improvement Area No. 2. The backbone infrastructure includes improvements to facilitate delivery of or service for water, reclaimed water, sewer, storm drain, a pump station, several water quality basins, streets (including work on Magic Mountain Parkway, Commerce Center Drive, and Westridge Parkway), street lights, utilities, walls and landscaping for Improvement Area No. 2, as well as one private park. As of May 13, 2024, the estimated cost to complete these facilities is approximately \$79 million, of which approximately \$41 million has been expended. Consequently, approximately 52% of the backbone infrastructure within Improvement Area No. 2 is complete. The remaining infrastructure consists primarily of a reclaimed water tank, water quality basins, and certain park improvements. The Master Developer estimates completion of all the backbone infrastructure by late 2025. The Master Developer expects to fund such remaining costs from internal funds.

All resource agency permits necessary for the development of Improvement Area No. 2 have been received. The conditions of development for Improvement Area No. 2 do not restrict the pulling of building permits or the granting of certificates of compliance pending completion of any specific improvements.

Utilities. Water services for the property in Improvement Area No. 2 are provided by Santa Clarita Valley Water Agency, sanitary sewer services are provided by the Newhall Ranch Sanitation District of Los Angeles County and the Santa Clarita Valley Sanitation District of Los Angeles County, stormwater drainage services are provided by the Los Angeles County Flood Control District, and electric services are provided by Southern California Edison. All necessary “will serve” letters for the development of Improvement Area No. 2 have been received.

Merchant Builder Ownership of Improvement Area No. 2

The table below shows the ownership, as of May 13, 2024, of the Taxable Property within Improvement Area No. 2 being developed by the Merchant Builders, and the number of units expected to be constructed. As of May 13, 2024, all of the Taxable Property in Improvement Area No. 2 was owned by individual homeowners, the Merchant Builders or the Landbanks. The status of their ownership is set forth in the table below.

**Improvement Area No. 2
of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities)
Property Ownership
As of May 13, 2024**

<i>Merchant Builder</i>	<i>Neighborhood (Planning Area)</i>	<i>Units Owned by Homeowners</i>	<i>Lots Owned by Merchant Builder/Land Bank⁽¹⁾</i>	<i>Total</i>
KB	TBD (C4b)	0	78	78
Lennar Homes	Element (C5d)	0	88	88
Lennar Homes	Outlook (C5c)	4	120	124
Lennar Homes	Solaire (C2b)	29	29	58
Lennar Homes	Peak (C5e)	12	46	58
Lennar Homes	TBD (F4)	0	72	72
Lennar Homes	TBD (F2/F21)	0	164	164
Richmond American	Torrin (C5b)	31	38	69
Tri Pointe	Lark (C4a/C5a)	<u>0</u>	<u>123</u>	<u>123</u>
Totals		76	758	834

⁽¹⁾ These lots are in various conditions and include completed model and production homes, units under construction, and finished lots.

Source: Merchant Builders, as applicable.

See the map of the neighborhoods in Improvement Area No. 2 on the following page.

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[INSERT MAP]

Lennar Homes Development

General. Lennar Homes of California, Inc. entered into a purchase contract with the Master Developer for the acquisition of various parcels in Improvement Area No. 2, as described below. On January 31, 2022, Lennar Homes of California, Inc., a California corporation, converted into a limited liability company, and is thereafter known as Lennar Homes of California, LLC, a California limited liability company. As previously defined in this Official Statement, “Lennar Homes” refers to Lennar Homes of California, LLC, a California limited liability company. Lennar Homes of California, LLC is for all purposes the same entity that existed prior to conversion. All property owned, obligations, and causes of action that existed prior to the conversion remain with the resulting entity - Lennar Homes of California, LLC. As used in this section of the Official Statement, the term “Lennar Homes” refers to Lennar Homes of California, Inc. prior to February 1, 2022 and Lennar Homes of California, LLC on and after February 1, 2022.

Lennar Homes is based in Irvine, California and has been in the business of developing residential real estate communities in California since 1996. Lennar Homes is wholly-owned by U.S. Home, LLC, a Delaware limited liability company (“U.S. Home”). U.S. Home is wholly-owned by Lennar Corporation, which is based in Miami, Florida (“Lennar Corporation”). Founded in 1954, Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. Lennar Corporation’s Class A and Class B common stock are listed on the New York Stock Exchange under the symbols “LEN” and “LEN.B.” respectively. Lennar Corporation is one of the largest homebuilders in the United States based on home sales revenues and net earnings, and operates under a number of brand names, including Lennar Homes and U.S. Home. Lennar Corporation primarily develops residential communities both within the Lennar Corporation family of builders and through consolidated and unconsolidated partnerships in which Lennar Corporation maintains an interest.

Lennar Corporation is subject to the informational requirements of the Exchange Act, and, in accordance therewith, files reports, proxy statements, and other information, including financial statements, with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Lennar Corporation and its consolidated subsidiaries, including Lennar Homes, as of such dates.

The SEC maintains a website that contains reports, proxy and other information statements and other information regarding registrants that file electronically with the SEC, including Lennar Corporation. The address of such website is www.sec.gov. All documents filed by Lennar Corporation pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of Lennar Corporation’s Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Lennar Corporation’s website at www.lennar.com.

The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Lennar Corporation and Lennar Homes are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds.

General Description of the Development and Landbank Structure. Lennar Homes and the Master Developer entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated _____ (“Lennar PSA”), for the purchase by Lennar Homes of Builder Areas C5d, C5e, C2b, C5e, F4, and F2/F21 located in Improvement Area No. 2 (the “Lennar Land”). On or about _____, prior to the

close of escrow under the Lennar PSA, Lennar Homes assigned its rights under the Lennar PSA to two land banks:

- For Lennar Homes in Planning Areas C2b, C5c, C5d, and C5e, the Landbank is AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership (“AG CA 2”) pursuant to that certain Assignment and Assumption of Purchase and Sale Agreement and Joint Escrow Instructions, dated _____ (the “AG CA 2 Assignment”).
- For Lennar Homes in Planning Areas F2/F21 and F4, the Landbank is – AG EHC II (LEN) CA 3, L.P., a Delaware limited partnership (“AG CA 3” and together with AG CA 2, the “Lennar Landbank Owners”) pursuant to that certain Assignment and Assumption of Purchase and Sale Agreement and Joint Escrow Instructions, dated _____ (the “AG CA 3 Assignment” and together with the AG CA 2 Assignment, the “PSA Assignments”).

The PSA Assignments resulted in AG CA 2 and AG CA 3 acquiring their respective portions of the Lennar Land in order to set up a land banking structure. The Lennar Landbank Owners are not affiliated entities of Lennar Homes.

To facilitate the land banking structure, Lennar Homes and the Lennar Landbank Owners entered into separate Option and Development Agreements, each dated _____ (as amended, the “Lennar Option Agreements”) whereby Lennar Homes has the option, but not the obligation, to purchase the 328 residential lots from AG CA 2 and the 236 residential lots from AG CA 3 pursuant to separate takedown schedules agreed upon between Lennar Homes and the Lennar Landbank Owners. The Lennar Option Agreements are exclusive to the Lennar Land and does not include other projects.

In addition to the Lennar Option Agreements, Lennar Homes and the Lennar Landbank Owners entered into separate Construction License Agreements (the “Lennar Construction License Agreements”) granting Lennar Homes the right to enter upon the Lennar Land for the purpose of, among other things, constructing model homes, dwelling units and related subdivision improvements on the Lennar Land before Lennar Homes acquires the Lennar Land from the Lennar Landbank Owners.

Option with AG CA 2. Lennar Homes’ planned development within Builder Areas C2b, C5c, C5d, and C5e includes the construction of 328 single-family residential units and the sale of such units to individual homebuyers. Pursuant to the terms and conditions of the Lennar Option Agreement for such property, Lennar Homes is required to, among other things, cause the Lennar Land to be subdivided into 328 residential lots and cause the completion and satisfaction of the certain on-site and offsite improvements. During the term of the Lennar Option Agreement with AG CA 2, Lennar Homes is obligated to pay all taxes on the Lennar Land, including the Special Taxes. Upon termination or expiration thereof, AG CA 2 would be solely responsible any Lennar Land that it owns.

Under the terms of the Lennar Option Agreement with AG CA 2, AG CA 2 granted Lennar Homes the exclusive right and option to purchase all 328 residential lots of the Lennar Land in consideration for (a) the covenants of Lennar Homes to timely pay monthly option payments; and (b) upon exercise of the option, the payment of the purchase price for each set of lots acquired.

As of the date of this Official Statement, Lennar Homes is in good standing under the Lennar Option Agreement with AG CA 2 and the Lennar Construction License Agreement. As of May 13, 2024, Lennar Homes has acquired a total of ___ residential lots under the Lennar Option Agreement with AG CA 2. The remaining ___ residential lots are scheduled to be acquired by Lennar Homes pursuant to the takedown schedule, typically between the tenth (10th) and twentieth (20th) calendar day of each month through _____, subject to extension rights as provided in the Lennar Option Agreement with AG CA 2 and further subject to Lennar Homes’ right to acquire more lots than scheduled and at earlier times so long as the lots identified in the takedown schedule are acquired by the applicable takedown date and Lennar Homes complies with the

terms under the Lennar Option Agreement for such accelerated closings. The failure to timely acquire lots could result in a termination of the Lennar Option Agreement with AG CA 2 which could result in Lennar Homes no longer having a right to purchase any of the remaining lots under the Lennar Option Agreement with AG CA 2. No assurance can be given that the acquisition of the remaining ___ residential lots Lennar Homes plans to acquire in Improvement Area No. 2 will occur as expected.

Option with AG CA 3. Lennar Homes' planned development within Builder Areas F4 and F2/F21 includes the construction of 236 single-family residential units and the sale of such units to individual homebuyers. Pursuant to the terms and conditions of the Lennar Option Agreement for such property, Lennar Homes is required to, among other things, cause the Lennar Land to be subdivided into 236 residential lots and cause the completion and satisfaction of the certain on-site and offsite improvements. During the term of the Lennar Option Agreement with AG CA 3, Lennar Homes is obligated to pay all taxes on the Lennar Land, including the Special Taxes. Upon termination or expiration thereof, AG CA 3 would be solely responsible any Lennar Land that it owns.

Under the terms of the Lennar Option Agreement with AG CA 3, AG CA 3 granted Lennar Homes the exclusive right and option to purchase all 236 residential lots of the Lennar Land in consideration for (a) the covenants of Lennar Homes to timely pay monthly option payments; and (b) upon exercise of the option, the payment of the purchase price for each set of lots acquired.

As of the date of this Official Statement, Lennar Homes is in good standing under the Lennar Option Agreement with AG CA 3 and the Lennar Construction License Agreement. As of May 13, 2024, Lennar Homes has acquired a total of ___ residential lots under the Lennar Option Agreement with AG CA 3. The remaining ___ residential lots are scheduled to be acquired by Lennar Homes pursuant to the takedown schedule, typically between the tenth (10th) and twentieth (20th) calendar day of each month through _____, subject to extension rights as provided in the Lennar Option Agreement with AG CA 3 and further subject to Lennar Homes' right to acquire more lots than scheduled and at earlier times so long as the lots identified in the takedown schedule are acquired by the applicable takedown date and Lennar Homes complies with the terms under the Lennar Option Agreement for such accelerated closings. The failure to timely acquire lots could result in a termination of the Lennar Option Agreement with AG CA 3 which could result in Lennar Homes no longer having a right to purchase any of the remaining lots under the Lennar Option Agreement with AG CA 3. No assurance can be given that the acquisition of the remaining ___ residential lots Lennar Homes plans to acquire in Improvement Area No. 2 will occur as expected.

The Lennar Landbank Owners are serving as a land bank for Lennar Homes and are not homebuilders. In the event Lennar Homes does not acquire the lots owned by the Lennar Landbank Owners, the Lennar Landbank Owners expect to market and sell such lots to another homebuilder.

A summary of the development and ownership of the Lennar Land as of May 13, 2024, is set forth below:

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 (VALENCIA-FACILITIES)
 (IMPROVEMENT AREA NO. 2)
 LENNAR HOMES – STATUS OF OWNERSHIP
 BUILDER AREAS A5a, A5b, A6, F5a, F5b, F7c, F11, F13, F14, F17
 (As of May 13, 2024)**

<i>Category</i>	<i>Number⁽¹⁾</i>
Completed Homes – Conveyed to Homeowners	45
Homes under Construction – owned by Lennar Homes	
Homes under Construction – owned by the Lennar Landbank Owners	
Vacant lots – Owned by the Lennar Landbank Owners	
Total	564

⁽¹⁾ Of the homes under construction owned by Lennar Homes and the Lennar Landbank Owners, ___ are in escrow. Homes in escrow may not result in closed escrows as sales contracts are subject to cancellation.

Lennar Homes expects to complete construction of all homes under construction by Lennar Homes within Builder Areas C2b, C5c, C5d, C5e, F4 and F2/F21 by the end of the ___ quarter of _____ and convey all such homes to individual homeowners shortly thereafter.

All approvals and permits required for Lennar’s development of its project on the Lennar Land within Improvement Area No. 2 have been secured for residential construction except for building permits and other approvals required in the normal course of development. As of May 13, 2024, in-tract improvements remaining to be completed within Lennar Homes’ development consist primarily of [[finishing of streets, curbs, gutters, and landscaping]]. Lennar Homes expects to complete construction of the remaining in-tract improvements associated with the lots that it owns within Improvement Area No. 2 as home construction on such lots is completed.

The following table sets forth the estimated number of lots, home sizes, and base sales prices for Lennar Homes’ ten product lines planned within Improvement Area No. 2.

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**COMMUNITY FACILITIES DISTRICT NO. 2021-1 (VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
LENNAR HOMES –DEVELOPMENT PLANS BY PRODUCT LINE
BUILDER AREAS C2b, C5c, C5d, C5e, F4, and F2/F21
(As of May 13, 2024)**

<i>Product Line</i>	<i>Product Type</i>	<i>No. of Lots</i>	<i>Estimated Home Size (Sq. Ft.)</i>	<i>Estimated Base Sales Prices⁽¹⁾</i>
Element (C5d)	Single Family Attached	88	1,768	\$572,365
Outlook (C5c)	Single Family Attached	124	1,970	\$661,087
Solaire (C2b)	Single Family Detached Condo	58	2,121	\$919,128
Peak (C5e)	Single Family Detached Condo	58	3,100	\$1,046,456
TBD (F4)	Single Family Attached	72	TBD	TBD
TBD (F2/F21)	Single Family Attached	<u>164</u>	TBD	TBD
Totals		564		

⁽¹⁾ Base home prices shown exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.

⁽²⁾ Products are single family detached condominiums.

Source: Lennar Homes.

The following table shows the ownership and development status within each of Lennar Homes’ product lines in Improvement Area No. 2 as of May 13, 2024.

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**COMMUNITY FACILITIES DISTRICT NO. 2021-1 (VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
LENNAR HOMES –DEVELOPMENT STATUS BY PRODUCT LINE
BUILDER AREAS C2b, C5c, C5d, C5e, F4, and F2/F21
(As of May 13, 2024)**

Product Line	Closings as of May 13, 2024	Completed Homes/Homes Under Construction⁽¹⁾	Finished Lots	Unimproved Lots	Totals
Element (C5d)	–	8	80	–	88
Outlook (C5c)	4	120	–	–	124
Solaire (C2b)	29	29	–	–	58
Peak (C5e)	12	46	–	–	58
TBD (F4)	–	–	–	72	72
TBD (F2/F21)	–	–	–	<u>164</u>	<u>164</u>
Totals	45	203	80	236	564

⁽¹⁾ Includes ___ model homes.
Source: Lennar Homes.

No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans outlined herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this statement. Additionally, homes sold may not result in closed escrows as sales contracts are subject to cancellation.

Financing Plan. To date, Lennar Homes has financed its land acquisition and various site development and homebuilding costs related to its property in Improvement Area No. 2 through internally generated funds. As of May 13, 2024, Lennar Homes has expended approximately \$___ million on land acquisition and development and homebuilding costs in Improvement Area No. 2. Lennar Homes expects to incur approximately \$___ million on remaining land development costs and approximately \$___ million on remaining homebuilding, marketing, and sales costs for its projects in Improvement Area No. 2. Lennar Homes expects to use home sales revenues and internal funding to complete its development within Improvement Area No. 2, and believes that it will have sufficient funds available to complete its planned development as described in this Official Statement.

Although Lennar Homes expects to have sufficient funds available to complete its development in Improvement Area No. 2 as described in this Official Statement, there can be no assurance that amounts necessary to finance the remaining development costs will be available from Lennar Homes, Lennar Corporation or any other source when needed. Neither Lennar Homes, nor any of its subsidiaries or related entities are under any legal obligation of any kind to expend funds for the development of and construction of homes on Lennar Homes’ property in Improvement Area No. 2. Any contributions by Lennar Homes or Lennar Corporation to fund the costs of such development are entirely voluntary. Lennar Homes has no legal obligation to Bond Owners to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.

If and to the extent that internal funding, including but not limited to home sales revenue, is inadequate to pay the costs to complete the planned development by Lennar Homes within Improvement Area No. 2 and other financing is not put into place, there could be a shortfall in the funds required to complete the remaining planned development by Lennar Homes in Improvement Area No. 2. Many factors beyond Lennar Homes’ control, or a decision by Lennar Homes to alter its current plans, may cause the actual sources and uses to differ from the projections. See “SPECIAL RISK FACTORS” herein for a discussion of risk factors.”

Except as described in this Official Statement and except for those consents, permits, authorizations, certifications and approvals of governmental entities required in the ordinary course of development, Lennar Homes believes that there is no impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned development of its property within Improvement Area No. 2 as described in the Official Statement.

Although the information in this Official Statement reflects the current development expectations of Lennar Homes, no assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth herein will not change after the date of this Official Statement. Lennar Homes reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation. See "SPECIAL RISK FACTORS – Concentration of Ownership."

KB Development

KB. KB HOME Greater Los Angeles Inc., a California corporation (previously defined as "KB") is a wholly-owned subsidiary of KB Home, a Delaware corporation ("KB Home"), whose principal executive offices are located in Los Angeles, California. KB Home is a publicly traded company listed on the New York Stock Exchange under the ticker symbol "KBH."

Founded in 1957, KB Home constructs and sells homes through its operating divisions under the name KB Home. KB Home's ongoing principal operations are in nine states, including California, Arizona, Nevada, Colorado, Texas, Florida, North Carolina, Idaho and Washington within 45 major markets. KB Home first developed homes in California in 1963. KB Home's homebuilding operations offer a variety of homes designed primarily for first-time, move-up and active adult homebuyers, including attached and detached single-family homes, townhomes and condominiums.

KB Home is subject to the informational reporting requirements of the Exchange Act, and in accordance therewith is obligated to file annual, quarterly and current reports, proxy statements and other information with the SEC. Such filings set forth, among other things, certain data relative to the consolidated results of operations and financial position of KB Home and its subsidiaries. KB Home's SEC filings are available to the public over the Internet at the SEC's website at www.sec.gov, and at KB Home's website at www.kbhome.com.

The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. KB and KB Home are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the County, the District or the Underwriter.

Development Plan. KB purchased 78 lots from the Master Developer within Improvement Area No. 2 which KB plans to develop into one product line known as [Iris]. As of May 13, 2024, KB had not yet started construction on any of the units in Improvement Area No. 2. KB currently expects to complete and convey all 78 homes that it plans to construct within Improvement Area No. 2 to individual homeowners by _____, 202__.

KB plans to construct 78 single family detached condominiums in a product line being marketed as "[Iris]." As of May 13, 2024, within the [Iris] product line, KB had not yet conveyed any homes to individual homeowners. As of such date, KB owned 78 finished lots without any vertical home construction thereon. The

following table summarizes the homes planned within the [Iris] product line and development status as of May 13, 2024.

[IRIS]
(As of May 13, 2024)

<i>Plan</i>	<i>Total Units Planned</i>	<i>Estimated Home Square Footage</i>	<i>Closings as of May 13, 2024</i>	<i>Owned by KB</i>		
				<i>Completed Homes/Homes Under Construction⁽¹⁾</i>	<i>Finished Lots⁽²⁾</i>	<i>Base Home Prices⁽³⁾</i>
1		1,858	0	0		
2		1,987	0	0		
3		2,010	0	0		
	78		0	0	78	

⁽¹⁾ Includes ___ () model homes, one of each floor plan.

⁽²⁾ Finished lots represent lots owned by KB without any vertical home construction thereon.

⁽³⁾ Base home prices shown exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.

Source: KB.

Financing Plan. To date, KB has financed its land acquisition and various site development and homebuilding costs related to its property in Improvement Area No. 2 through internally generated funds. As of May 13, 2024, KB has expended approximately \$__ million on its projects in Improvement Area No. 2, including land acquisition costs, site development costs, permits and fees, direct and indirect home construction costs, and marketing and sales costs and expenses (exclusive of corporate overhead and other carry costs). KB expects to incur approximately \$__ million on remaining site development costs, permits and fees, direct and indirect home construction costs, and marketing and sales costs and expenses (exclusive of corporate overhead and other carry costs) related to its projects in Improvement Area No. 2. KB expects to use internal funding (which may include homes sales revenue and funding from its parent company) to complete its development within Improvement Area No. 2, and believes that it will have sufficient funds available to complete its planned development as described in this Official Statement.

Although KB expects to have sufficient funds available to complete its development in Improvement Area No. 2 as described in this Official Statement, there can be no assurance that amounts necessary to finance the remaining development costs will be available from KB, KB Home or any other source when needed. Neither KB, KB Home, nor any of its subsidiaries or related entities are under any legal obligation of any kind to expend funds for the development of and construction of homes on KB's property in Improvement Area No. 2. Any contributions by KB or KB Home to fund the costs of such development are entirely voluntary. KB has no legal obligation to Bond Owners to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes.

If and to the extent that internal funding, including but not limited to home sales revenue and corporate financing from KB's parent company, is inadequate to pay the costs to complete the planned development by KB within Improvement Area No. 2 and other financing is not put into place, there could be a shortfall in the funds required to complete the remaining planned development by KB in Improvement Area No. 2. Many factors beyond KB's control, or a decision by KB to alter its current plans, may cause the actual sources and uses to differ from the projections. See "SPECIAL RISK FACTORS" herein for a discussion of risk factors."

Except as described in this Official Statement and except for those consents, permits, authorizations, certifications and approvals of governmental entities required in the ordinary course of development, KB believes that there is no impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned development of its property within Improvement Area No. 2 as described in the Official Statement. *Although the information in this Official*

Statement reflects the current development expectations of KB, no assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth herein will not change after the date of this Official Statement. KB reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation. See “SPECIAL RISK FACTORS — Concentration of Ownership.”

Tri Pointe Development

Tri Pointe. As previously defined in this Official Statement, “Tri Pointe” Tri Pointe Homes Holdings, Inc., a Delaware corporation (previously defined as “Tri Pointe”) is a wholly-owned subsidiary of Tri Pointe Homes, Inc., a Delaware corporation (“Tri Pointe Homes”), a publicly traded company whose common stock is listed on the New York Stock Exchange under the ticker symbol “TPH.” Tri Pointe Homes is engaged in the design, construction and sale of innovative single-family attached and detached homes in 15 markets across ten states and the District of Columbia. In September 2023, Tri Pointe Homes announced the expansion into the greater Salt Lake City region with the launch of a new division in Utah. As of March 2024, the company had not yet commenced significant operations in these new markets. In April 2024, Tri Pointe Homes announced further expansion into Orlando, Florida and the coast Carolinas area of North and South Carolina.

Tri Pointe Homes is subject to the informational requirements of the Exchange Act and, in accordance therewith, files reports, proxy statements, and other information, including financial statements, with the SEC. Such filings, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Tri Pointe Homes and its consolidated subsidiaries, including Tri Pointe, as of such dates (e.g., see Tri Pointe Homes’ Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as filed with the SEC on February 22, 2024 and Tri Pointe Homes’ Quarterly Report on form 10-Q for the quarterly period ended March 31, 2024, as filed with the SEC on April 25, 2024)

The SEC maintains an internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including Tri Pointe Homes. The address of such internet web site is www.sec.gov. All documents subsequently filed by Tri Pointe Homes pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of Tri Pointe Homes’ most recent Annual Report on Form 10-K and each of its other quarterly and current reports, including any amendments, are available in the “Investors” portion of Tri Pointe Homes’ website at www.triointehomes.com.

The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Tri Pointe and Tri Pointe Homes are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the County, the District or the Underwriter.

Development Plan. Tri Pointe was under contract to purchase 123 lots from the Master Developer within Improvement Area No. 2. Prior to the closing, Tri Pointe assigned its rights under the purchase contract to VALENCIA C4A & C5A – NEWHALL, L.P., a Delaware limited partnership (the “Tri Pointe Landbank”), who is serving as Tri Pointe’s land bank. Tri Pointe has the option, but not the obligation, to purchase finished lots from Tri Pointe Landbank from time to time pursuant to a takedown schedule. Tri Pointe expects to acquire the finished lots from the Tri Pointe Landbank through _____. See “—Option Agreement” below. No assurance can be given that the acquisition of all 123 lots Tri Pointe plans to acquire in Improvement Area No. 2 will occur as expected.

Tri Pointe plans to develop the lots it acquires from the Tri Pointe Landbank into the Lark product line as described below. Tri Pointe currently expects to acquire from the Tri Pointe Landbank and complete and convey all 123 homes that it plans to construct within Improvement Area No. 2 to individual homeowners by _____.

Assuming that Tri Pointe acquires the lots from the Tri Pointe Landbank under the Tri Pointe Option Agreement (as defined below), Tri Pointe plans to construct 123 single family detached condominiums in a product line being marketed as “Lark.” As of May 13, 2024, within the Lark product line, Tri Pointe owned lots for the 4 model homes and the remaining 119 finished lots were owned by the Tri Pointe Landbank. Tri Pointe opened the Lark product line for sales on ___, 202___. The following table summarizes the homes planned within the Lark product line and development status as of May 13, 2024.

LARK
(As of May 13, 2024)

<i>Plan</i>	<i>Total Units Planned⁽¹⁾</i>	<i>Estimated Home Square Footage</i>	<i>Closings as of May 13, 2024</i>	<i>Owned by or Under Option to Tri Pointe</i>		<i>Base Home Prices⁽⁴⁾</i>
				<i>Completed Homes/Homes Under Construction⁽²⁾</i>	<i>Finished Lots⁽³⁾</i>	
1						
2						
3						
4						
	123		0	4	119	

(1) 119 of the 123 lots are owned by the Tri Pointe Landbank, but are under option to be acquired by Tri Pointe pursuant to a takedown schedule. See “– Option Agreement” below.

(2) Includes 4 model homes under construction.

(3) Finished lots represent lots owned by Tri Pointe or under option with the Tri Pointe Landbank without any home construction thereon.

(4) Anticipated base home prices shown exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.

Source: Tri Pointe.

Option Agreement. Tri Pointe entered into a Purchase and Sale Agreement and Joint Escrow Instructions Builder Area C4a/C5a (the “Tri Pointe Purchase and Sale Agreement”) to acquire land to be developed as 123 detached condominiums within the Lark neighborhood (the “Tri Pointe Property”) from the Master Developer. On _____, concurrent with the execution of the Tri Pointe Option Agreement (described below), the Tri Pointe Landbank entered into an Assignment and Assumption Agreement, pursuant to which Tri Pointe assigned to the Tri Pointe Landbank the right to acquire the Tri Pointe Property, and all other rights of “Buyer” under the Tri Pointe Purchase and Sale Agreement, and the Tri Pointe Landbank acquired the Tri Pointe Property from the Master Developer pursuant to the Tri Pointe Purchase and Sale Agreement. According to the Tri Pointe Landbank [BACKGROUND ON LAND BANK]. See “SPECIAL RISK FACTORS — Concentration of Ownership.”

On _____, the Tri Pointe Landbank and Tri Pointe entered into an Option and Development Agreement (the “Tri Pointe Option Agreement”) regarding the Tri Pointe Property, whereby Tri Pointe has the option but not the obligation to purchase residential lots in the Tri Pointe Property from the Tri Pointe Landbank pursuant to a takedown schedule.

Pursuant to the terms of the Tri Pointe Option Agreement, Tri Pointe has the exclusive right and option to purchase the Tri Pointe Property in consideration for (a) payment of an initial deposit; (b) the covenants of Tri Pointe to timely pay option payments under the Tri Pointe Option Agreement on a monthly basis in arrears;

and (c) upon exercise of the option to acquire lots, the payment of the purchase price for each phase of lots acquired.

The lots are intended to be purchased in __ phases, according to the takedown schedule (each a “Phase”). Tri Pointe may acquire lots ahead of schedule or purchase all remaining lots in a bulk purchase; provided, however, Tri Pointe may be obligated to pay a premium for the early acquisition of such lots under certain circumstances, depending on the facts at the time of the acquisition of the lots. The takedown schedule is as follows:

Takedown Schedule for the Tri Pointe Property

<i>Phase</i>	<i>Acquisition Date (20th day of the Month)</i>	<i>Lots Scheduled to be Acquired</i>	<i>Lots Actually Acquired by Tri Pointe</i>
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Total		123	
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Tri Pointe has the right under the Tri Pointe Option Agreement to extend the closing date on any Phase for three (3) one-month periods, which will automatically extend the deadline date for all subsequent acquisitions.

The option under the Tri Pointe Option Agreement expires on the earlier of (i) _____ (subject to extension rights referenced above), or (ii) the date Tri Pointe has acquired all of the lots in accordance with the Option Agreement. The failure to timely acquire lots could result in the termination of the Tri Pointe Option Agreement, in which event Tri Pointe will no longer have a right to purchase any of the remaining lots.

According to the Tri Pointe Landbank, in the event of any termination of the Tri Pointe Option Agreement, the Tri Pointe Landbank would likely attempt to sell such lots to another merchant builder.

Under the Tri Pointe Option Agreement, Tri Pointe is required to obtain the requisite governmental permits and approvals necessary to complete the construction of 123 finished lots on the Tri Pointe Property and is required to construct all on-site and off-site improvements for a fixed-price according to schedules incorporated into the Tri Pointe Option Agreement. The obligation of Tri Pointe to complete the construction of 123 lots on the Tri Pointe Property for a fixed-price is an obligation that is independent from their right to acquire lots. In other words, the obligation survives the expiration or termination of Tri Pointe’s right to purchase lots under the Tri Pointe Option Agreement.

During the term of the Tri Pointe Option Agreement, Tri Pointe is obligated to pay all real property taxes on the Tri Pointe Property, including the Special Taxes. Upon termination or expiration thereof, the Hearthstone Tri Pointe Landbank would be solely responsible any Tri Pointe Property that it owns.

As of the date of this Official Statement, Tri Pointe is in good standing under the Tri Pointe Option Agreement and has acquired a total of __ lots.

Financing Plan. To date, Tri Pointe has financed its land acquisition and various site development and homebuilding costs related to its property in Improvement Area No. 2 through internally generated funds, including funding from its parent, Tri Pointe Homes, as well as the Hearthstone Tri Pointe Landbank pursuant to the Tri Pointe Option Agreement. As of May 13, 2024, Tri Pointe has expended approximately \$___ million on land acquisition costs, site development costs, permit and impact fees, direct and indirect homebuilding costs and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carrying costs) related to its Lark neighborhood in Improvement Area No. 2. Tri Pointe expects to incur approximately \$___ million on remaining land acquisition costs, site development costs, permit and impact fees, direct and indirect homebuilding costs and marketing and sales costs (exclusive of internal financing repayment, corporate overhead and other carrying costs) between _____ and full build-out of the homes proposed to be constructed in its Lark neighborhood in Improvement Area No. 2. Tri Pointe expects to use internally generated funds, (which may include homes sales revenue and funding from its parent, Tri Pointe Homes) to complete its development within Improvement Area No. 2, and believes that it will have sufficient funds available to complete its planned development as described in this Official Statement.

Although Tri Pointe expects to have sufficient funds available to complete its development in Improvement Area No. 2 as described in this Official Statement, there can be no assurance that amounts necessary to finance the remaining land acquisition and development costs will be available from Tri Pointe, Tri Pointe Homes or any other source when needed. While Tri Pointe has made such internal funding available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither Tri Pointe nor any other entity or person is under any legal obligation of any kind to expend funds for the development of and construction of homes on Tri Pointe's property in Improvement Area No. 2. Tri Pointe has no legal obligation to Bond Owners to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes. Any contributions by Tri Pointe or any other entity or person to fund the costs of such development are entirely voluntary.

If and to the extent that internal funding, including but not limited to home sales revenue and corporate financing from Tri Pointe's parent company, is inadequate to pay the costs to complete the planned development by Tri Pointe within Improvement Area No. 2 and other financing is not put into place, there could be a shortfall in the funds required to complete the remaining land acquisition and planned development by Tri Pointe in Improvement Area No. 2. Many factors beyond Tri Pointe's control, or a decision by Tri Pointe to alter its current plans, may cause the actual sources and uses to differ from the projections. See "SPECIAL RISK FACTORS" herein for a discussion of risk factors."

Except as described in this Official Statement and except for those consents, permits, authorizations, certifications and approvals of governmental entities required in the ordinary course of development, Tri Pointe believes that there is no impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned development of its property within Improvement Area No. 2 as described in the Official Statement.

Although the information in this Official Statement reflects the current development expectations of Tri Pointe, no assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth herein will not change after the date of this Official Statement. Tri Pointe reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation. See "SPECIAL RISK FACTORS — Concentration of Ownership."

Richmond American Development

Richmond American. Richmond American Homes of Maryland, Inc., a Maryland corporation (previously defined as Richmond American) is a wholly-owned subsidiary of M.D.C. Holdings, Inc., a Delaware corporation ("MDC"). MDC is a publicly traded company whose common stock is listed on the New York

Stock Exchange under the symbol “MDC.” Richmond American and its predecessor entity have been building homes in California since 1986. Richmond American’s Southern California division based in Irvine, California, is responsible for the development of Richmond American’s project in Improvement Area No. 2.

MDC has two primary operations – homebuilding and financial services. MDC’s homebuilding operations consist of wholly-owned subsidiary companies that build and sell homes under the name “Richmond American Homes.” MDC’s financial services operations include subsidiary companies that provide mortgage financing, place title insurance and homeowner insurance for Richmond American’s homebuyers, and provide general liability insurance for MDC subsidiaries and most of Richmond American’s subcontractors.

MDC is subject to the informational reporting requirements of the Exchange Act, and in accordance therewith is obligated to file reports, proxy statements, and other information, including financial statements, with the SEC. Such filings, including particularly MDC’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as filed with the SEC on January 30, 2024, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, as filed with the SEC on May 6, 2024, set forth certain data relative to such consolidated results of operations and financial position of MDC and its subsidiaries as of such dates. The SEC maintains an internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including MDC. The address of such internet web site is www.sec.gov. All documents subsequently filed by MDC pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of MDC’s Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are also available from MDC on MDC’s website at www.mdcholdings.com.

The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Richmond American and MDC are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the County, the District or the Underwriter.

Development Plan. Richmond American purchased 69 lots from the Master Developer within Improvement Area No. 2 which Richmond American plans to develop into 69 single family detached condominiums in a product line being marketed as “Torrin.” Richmond American’s Torrin project is planned for 69 condominiums arranged in 8-pack clusters, with a single access driveway to each cluster of homes. As of May 13, 2024, Richmond American had conveyed 31 homes to individual homebuyers, and owned 38 homes under construction. Richmond American currently expects to complete and convey all 69 homes that it plans to construct within Improvement Area No. 2 to individual homeowners by _____.

The following table summarizes the homes planned within Richmond American’s Torrin product line and development status as of May 13, 2024.

TORRIN
(As of May 13, 2024)

<i>Plan</i>	<i>Total Units Planned</i>	<i>Estimated Home Square Footage</i>	<i>Closings as of May 13, 2024</i>	<u><i>Owned by Richmond American</i></u>		
				<i>Completed Homes/Homes Under Construction⁽¹⁾</i>	<i>Finished Lots⁽²⁾</i>	<i>Base Home Prices⁽³⁾</i>
	69		31	38	0	

⁽¹⁾ Includes __ completed model homes and __ production homes under construction.

⁽²⁾ Finished lots represent lots owned by Richmond American without any vertical home construction thereon, none with building permits issued.

⁽³⁾ Base home prices shown exclude lot premiums, options and extras and any incentives or price reductions. Base sales prices are subject to change.

Source: Richmond American.

No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans outlined herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. Richmond American reserves the right to change its development at any time without notice. Additionally, homes sold may not result in closed escrows as sales contracts are subject to cancellation.

Financing Plan. To date, Richmond American has financed its land acquisition and various site development and homebuilding costs related to its property in Improvement Area No. 2 through internally generated funds, (which may include home sales revenue and funding from its parent company, MDC). As of May 13, 2024, Richmond American has expended approximately \$____ on its development projects in Improvement Area No. 2, including land acquisition costs, site development costs, permits and fees, direct and indirect home construction costs, and marketing and sales costs and expenses (exclusive of corporate overhead and other carry costs). Richmond American expects to incur approximately \$_____ on remaining land development costs and approximately \$_____ on remaining permits and fees, direct and indirect home construction costs, and marketing and sales costs and expenses (exclusive of corporate overhead and other carry costs) related to its project in Improvement Area No. 2. Richmond American expects to use internal funding (which may include home sales revenue and funding from its parent company MDC) to complete its development within Improvement Area No. 2, and believes that it will have sufficient funds available to complete its planned development as described in this Official Statement.

Although Richmond American expects to have sufficient funds available to complete its development in Improvement Area No. 2 as described in this Official Statement, there can be no assurance that amounts necessary to finance the remaining development costs will be available to Richmond American when needed. While MDC has made such internal funding available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither Richmond American nor any other entity or person is under any legal obligation of any kind to expend funds for the development of and construction of homes on Richmond American’s property in Improvement Area No. 2. Richmond American has no legal obligation to Bond Owners to make any such funds available for construction or development, or the payment of ad valorem property taxes or the Special Taxes. Any contributions by Richmond American or any other entity or person to fund the costs of such development are entirely voluntary.

If and to the extent that the aforementioned sources are inadequate to pay the costs to complete the planned development by Richmond American within Improvement Area No. 2 and other financing is not put into place, there could be a shortfall in the funds required to complete the planned development by Richmond American or to pay ad valorem property taxes or Special Taxes related to Richmond American's property in Improvement Area No. 2, and the remaining portions of such development may not be completed. Many factors beyond Richmond American's control, or a decision by Richmond American to alter its current plans, may cause the actual sources and uses to differ from the projections. See "SPECIAL RISK FACTORS" herein for a discussion of risk factors."

Except as described in this Official Statement and except for those consents, permits, authorizations, certifications and approvals of governmental entities required in the ordinary course of development, Richmond American believes that there is no impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned development of its property within Improvement Area No. 2 as described in the Official Statement.

Although the information in this Official Statement reflects the current development expectations of Richmond American, no assurance can be given that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth herein will not change after the date of this Official Statement. Richmond American reserves the right to change its development at any time without notice. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation. See "SPECIAL RISK FACTORS — Concentration of Ownership."

SPECIAL RISK FACTORS

The Bonds have not been rated by any rating agency, and the purchase of the Bonds involves significant risks that are not appropriate for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in Improvement Area No. 2 to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in Improvement Area No. 2. See "— Property Values" below.

Risks of Real Estate Secured Investments Generally

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation: (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of in Improvement Area No. 2, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses; (iv) adverse changes in local market conditions; and (v) increased delinquencies due to rising mortgage costs and other factors.

No assurance can be given that the property owners within Improvement Area No. 2 will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See the caption "— Enforcement Delays — Bankruptcy" for a discussion of certain limitations on the District's ability to pursue judicial proceedings with respect to delinquent parcels.

Insufficiency of Special Tax Revenues

As discussed below, the Special Taxes may not produce revenues sufficient to pay the debt service on the Bonds due to nonpayment of the amounts levied.

In order to pay debt service on the Bonds, it is generally necessary that the Special Taxes be paid in a timely manner. Should the Special Taxes not be paid on time, the District has established a Reserve Account under the Indenture to be maintained in an amount equal to the Reserve Requirement to pay debt service on the Bonds to the extent other funds are not available. See “SOURCES OF PAYMENT FOR THE BONDS — Reserve Account of the Special Tax Fund.” The District will covenant in the Indenture to maintain in the Reserve Account an amount equal to the Reserve Requirement, subject, however, to the availability of Net Taxes in amounts sufficient to do so and to the limitation that the District may not levy the Special Tax in any Fiscal Year at a rate in excess of the maximum amounts permitted under the Rate and Method. See Appendix A and Appendix E hereto. As a result, if a significant number of Special Tax delinquencies occurs within Improvement Area No. 2, the District could be unable to replenish the Reserve Account to the Reserve Requirement due to the limitations on the amount of the Special Tax that may be levied. If such defaults were to continue in successive years, the Reserve Account could be depleted and a default on the Bonds could occur.

The Act provides that, if any property within Improvement Area No. 2 not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts, but it is doubtful that they would be upheld as to, for example, property owned by the federal government. If for any reason property within Improvement Area No. 2 becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government or another public agency, subject to the limitation of the Maximum Special Tax, the Special Tax will be reallocated to the remaining taxable parcels within Improvement Area No. 2. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon their willingness and/or ability to pay the Special Tax. Moreover, if a substantial portion of additional land within Improvement Area No. 2 became exempt from the Special Tax because of public ownership, or otherwise, the Maximum Special Tax which could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the Bonds when due and a default will occur with respect to the payment of such principal and interest.

The District will covenant in the Indenture that, under certain circumstances, it will institute foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings are instituted with respect to property in Improvement Area No. 2 in the future, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. See “SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales*” for provisions which apply in the event of such foreclosure and which the District is required to follow in the event of delinquencies in the payment of the Special Tax.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds (if the Reserve Account has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the County on behalf of the District of the proceeds of sale. The District may adjust the future Special Tax levied on taxable parcels in Improvement Area No. 2, subject to limitations described above under the caption “THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Rate and Method of Apportionment,” to provide an amount required to pay interest on and principal of the Bonds, and the amount, if any, necessary to replenish the Reserve Account to an amount equal to the Reserve Requirement, and to pay all current expenses. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against taxable parcels in Improvement Area No. 2 will be at all times sufficient to pay the

amounts required to be paid by the Indenture, even if the Special Tax is levied at the Maximum Special Tax rates. See “— Enforcement Delays — Bankruptcy.”

No assurance can be given that the real property subject to sale or foreclosure will be sold, or if sold, that the proceeds of sale will be sufficient to pay any delinquent installments of the Special Tax. The Act does not require the County to purchase or otherwise acquire any lot or parcel of property to be sold at foreclosure if there is no other purchaser at such sale. The Act and the Indenture do specify that the Special Tax will have the same lien priority as for *ad valorem* property taxes in the case of delinquency. Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post judgment interest and authorized costs, unless the consent of the owners of 75% of the Outstanding Bonds and any Parity Bonds is obtained.

Prior to July 1, 1983, the right of redemption from foreclosure sales was limited to a period of one year from the date of sale. Under legislation effective July 1, 1983, the statutory right of redemption from such foreclosure sales has been repealed. However, a period of 20 days must elapse after the date on which the notice of levy of the interest in real property was served on the judgment debtor before the sale of such lot or parcel can be made. Furthermore, if the purchaser at the sale is the judgment creditor (e.g., the District), an action may be commenced by the delinquent property owner within 90 days after the date of sale to set aside such sale. The constitutionality of the aforementioned legislation, which repeals the one year redemption period, has not been tested and there can be no assurance that, if tested, such legislation will be upheld. (Section 701.680 of the Code of Civil Procedure of the State.)

Concentration of Ownership

Based on development and ownership status as of May 13, 2024, individual homeowners and the Merchant Builders are expected to be responsible for approximately 18.7% and 81.3%, respectively, of the estimated Fiscal Year 2024-25 Special Tax levy.

As described above under “PROPERTY OWNERSHIP AND THE DEVELOPMENT— Tri Pointe Development,” Tri Pointe has entered into agreements with its landbank to acquire lots within Improvement Area No. 2 in phased takedowns and Lennar Homes has entered into agreements with its landbanks to acquire lots within Improvement Area No. 2 in phased takedowns. As of the date of this Official Statement, the Tri Pointe Landbank and the Lennar Landbank Owners owned, in the aggregate, ___ lots within Improvement Area No. 2. During the term of the Tri Pointe Option Agreement and the Lennar Option Agreements, Tri Pointe and Lennar Homes are contractually obligated to pay the Special Taxes levied on the property subject to their respective agreement. However, in the event the Tri Pointe Option Agreement and/or the Lennar Option Agreements are terminated prior to Tri Pointe and/or Lennar Homes having acquired all lots thereunder, the Special Taxes would continue to be levied on property owned by the Tri Pointe Landbank and the Lennar Landbank Owners. No assurances can be made of the willingness and ability of the Tri Pointe Landbank and Lennar Landbank Owners, or their affiliates, to pay such Special Taxes. The District is aware that affiliates of the Tri Pointe Landbank and affiliates of the Lennar Landbank Owners have other landbank arrangements with real estate development entities in addition to those within Improvement Area No. 2.

The timely payment of principal of and interest on the Bonds depends upon the willingness and ability of the current and future property owners in Improvement Area No. 2 to pay the Special Taxes prior to delinquency. General and local economic conditions and governmental requirements or restrictions may affect the willingness of the current property owners, or any successor property owners, to pay the Special Taxes, and there is no assurance that the current property owners, or any successor property owners, will pay such Special Taxes even if financially able to do so. Due to the concentration of ownership of the property within Improvement Area No. 2, a failure by any of the Merchant Builders, the land banks described herein, or any successor property owner thereto to pay the Special Taxes may result in a default in the payment of debt service on the Bonds. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

Property Values

The value of the property within Improvement Area No. 2 is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Special Taxes, the District's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Taxes. See "THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Appraisal Report" and Appendix D — "APPRAISAL REPORT."

The Appraiser has estimated, on the basis of certain assumptions and limiting conditions contained in the Appraisal Report, that as of the Date of Value, the minimum market value of the land and improvements within Improvement Area No. 2 subject to the Special Tax was approximately \$246,779,546. See "THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Appraisal Report." The Appraisal Report indicates the Appraiser's opinion as to the market value of the properties referred to therein as of the date and under the conditions specified therein. The Appraiser's opinion reflects conditions prevailing in the applicable market as of the Date of Value. The Appraiser's opinion does not predict the future value of the subject property, and there can be no assurance that market conditions will not change adversely in the future.

Prospective purchasers of the Bonds should not assume that the taxable land within Improvement Area No. 2 could be sold for the appraised amount or for the assessed values at a foreclosure sale for delinquent Special Taxes. In arriving at the estimate of market value of the property in Improvement Area No. 2, the Appraiser assumes that any sale will be unaffected by undue stimulus and will occur following a reasonable marketing period, which is not always present in a foreclosure sale. See Appendix D for a description of other assumptions made by the Appraiser and for the definitions and limiting conditions used by the Appraiser. Any event which causes one of the Appraiser's assumptions to be untrue could result in a reduction of the value of the taxable land and improvements within Improvement Area No. 2 from the market value estimated by the Appraiser.

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

Natural Disasters

Improvement Area No. 2, like all California communities, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads, bridges and property within Improvement Area No. 2. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The property within Improvement Area No. 2 is located in an Alquist-Priolo Earthquake Study Zone, but is not located within one-half mile of an active earthquake fault. Additionally, Improvement Area No. 2 is not located in a flood plain area.

In recent years, wildfires have caused extensive damage throughout the State, including within the County. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances entire neighborhoods have been destroyed. Several fires in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events.

Improvement Area No. 2 is located in an area which the Department of Forestry and Fire Protection of the State of California has designated as a very high fire hazard severity zone. Therefore, there is a risk of residential property within Improvement Area No. 2 being destroyed by wildfires and no assurance can be given as to the severity or frequency of wildfires within the vicinity of Improvement Area No. 2. Additionally, property

located adjacent to burn areas can be subject to mudslides and flooding, which can cause significant damage and destruction to property.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in Improvement Area No. 2. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in Improvement Area No. 2 could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Hazardous Substances

While government taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may also be relevant. One of the most serious in terms of the potential reduction in the value of a parcel is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Super Fund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of a parcel whether or not the owner (or operator) had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within Improvement Area No. 2 be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition.

The District is not aware of the presence of any federally or state classified hazardous substances in violation of any environmental laws, located on the property within Improvement Area No. 2. However, it is possible that such materials do currently exist and that the District is not aware of them.

It is possible that property in Improvement Area No. 2 may be liable for hazardous substances in the future as a result of the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or the existence, currently, on the property of a substance not presently classified as hazardous but which may in the future be so classified. Additionally, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling such substance. All of these possibilities could have the effect of reducing the value of the applicable property.

Enforcement Delays – Bankruptcy

In the event of a delinquency in the payment of the Special Taxes, the District is required to commence enforcement proceedings under the circumstances described under the caption “SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales.*” However, prosecution of such proceedings could be delayed due to crowded local court calendars or by bankruptcy, insolvency and other laws generally affecting creditors’ rights (such as the Soldiers’ and Sailors’ Relief Act of 1940) and by the laws of the State relating to judicial and non-judicial foreclosure. Although bankruptcy proceedings would not cause the liens of the Special Taxes to become extinguished, bankruptcy of a person or entity with an interest in the applicable property could result in a delay in the enforcement proceedings because federal bankruptcy laws provide for an automatic stay of foreclosure and tax sale proceedings. Any such delay could increase the likelihood of delay or default in payment of the principal of and interest on the applicable Bonds. The various legal opinions to be delivered in connection with the issuance of the Bonds, including Bond Counsel’s approving legal opinion, are qualified as to the enforceability of the Bonds and the Indenture by reference to bankruptcy, reorganization, moratorium, insolvency and other laws affecting the rights of creditors generally or against public entities such as the District.

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, will be billed to the properties within Improvement Area No. 2 on the regular ad valorem property tax bills sent to owners of such properties by the County Tax Collector. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do ad valorem property tax installments.

See APPENDIX E — “SUMMARY OF THE INDENTURE — COVENANTS AND WARRANTY — Covenants” for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See “— FDIC/Federal Government Interests in Parcels” for a discussion of the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes and assessment and limitations on the District’s ability to foreclose on the lien of the Special Taxes in certain circumstances.

FDIC/Federal Government Interests in Parcels

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

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

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

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

In the case of Fannie Mae and Freddie Mac, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution “this Constitution, and the Laws of the United States which shall be made in

Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, anything in the Constitution or Laws of any State to the contrary notwithstanding.” In the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government’s mortgage interest. For a discussion of risks associated with taxable parcels within Improvement Area No. 2 becoming owned by the federal government, federal government entities or federal government sponsored entities, see “—Insufficiency of Special Tax Revenues.”

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

Direct and Overlapping Indebtedness

The ability of an owner of property within Improvement Area No. 2 to pay the applicable Special Taxes could be affected by the existence of other taxes and assessments imposed upon taxable parcels. See “THE DISTRICT AND IMPROVEMENT AREA NO. 2 — Direct and Overlapping Debt” herein. The County and other public agencies whose boundaries overlap those of Improvement Area No. 2 could impose additional taxes or assessment liens on the property within Improvement Area No. 2 in order to finance public improvements or services to be located or provided inside of or outside of such area. The lien created on the property within Improvement Area No. 2 through the levy of such additional taxes may be on a parity with the lien of the Special Taxes applicable to the property within Improvement Area No. 2.

The imposition of additional liens on a parity with the Special Taxes may reduce the ability or willingness of property owners to pay the Special Taxes and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes.

Payment of Special Taxes is not a Personal Obligation of the Property Owners

An owner of a taxable parcel is not personally obligated to pay Special Taxes. Rather, Special Taxes are an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully Special Taxes, the District has no recourse against the property owner.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Limited Obligations

The Bonds and interest thereon are not payable from the general funds of the County. Except with respect to the Net Taxes, neither the credit nor the taxing power of the District or the County is pledged for the payment of the Bonds or the interest thereon, and, except as provided in the Indenture, no Owner of the Bonds

may compel the exercise of any taxing power by the District or the County or force the forfeiture of any County or District property. The principal of, premium, if any, and interest on the Bonds are not a debt of the County or a legal or equitable pledge, charge, lien or encumbrance upon any of the County's or the District's property or upon any of the County's or the District's income, receipts or revenues, except the Net Taxes and other amounts pledged under the Indenture.

The District's legal obligations with respect to any delinquent Special Taxes are limited to: (i) payments from the Reserve Account to the extent of funds on deposit therein; and (ii) the institution of judicial foreclosure proceedings under certain circumstances with respect to any parcels for which Special Taxes are delinquent. See the caption "SOURCES OF PAYMENT FOR THE BONDS — Special Taxes — *Proceeds of Foreclosure Sales.*" The Bonds cannot be accelerated in the event of any default.

The obligation to pay Special Taxes does not constitute a personal obligation of the current or subsequent owners of the respective parcels which are subject to such liens. See the caption "— Payment of the Special Tax is Not a Personal Obligation of the Property Owners." Enforcement of Special Tax payment obligations by the District is limited to judicial foreclosure in the Superior Court of California, County of Los Angeles. There is no assurance that any current or subsequent owner of a parcel subject to a Special Tax lien will be able to pay the amounts due or that such owner will choose to pay such amounts even though financially able to do so.

Failure by owners of the parcels to pay Special Tax installments when due, delay in foreclosure proceedings, or the inability of the District to sell parcels that have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Special Taxes levied against such parcels may result in the inability of the District to make full or timely payments of debt service on the Bonds, which may in turn result in the depletion of the Reserve Account. See the caption "— Enforcement Delays — *Bankruptcy.*"

Ballot Initiatives

Articles XIII A, XIII B, XIII C, and XIII D of the California Constitution were adopted pursuant to measures qualified for the ballot pursuant to the State's constitutional initiative process. From time to time, other initiative measures could be adopted by California voters. The adoption of any such initiative might place limitations on the ability of the State, the County, or other local agencies to increase revenues or to increase appropriations.

Proposition 218

An initiative measure entitled "The Right to Vote on Taxes Act" ("Proposition 218") was approved by the voters at the November 5, 1996 statewide general election. Among other things, Proposition 218 added a new Article XIII C to the California Constitution which states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. While the application of Proposition 218 in this context has not yet been interpreted by the courts and the matter is not completely free from doubt, it is not likely that Proposition 218 has conferred on the voters the power to effect a repeal or reduction of the Special Tax if the result thereof would be to impair the security of the Bonds.

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

greater than the amount necessary for the timely retirement of the Bonds. Nevertheless, to the maximum extent that the law permits it to do so, the District will covenant in the Indenture that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates for Improvement Area No. 2, unless, in connection therewith, the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that: (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within Improvement Area No. 2 to an amount which is less than the Administrative Expense Cap plus 110% of the Annual Debt Service due in each corresponding future Bond Year with respect to the Bonds and Parity Bonds Outstanding as of the date of such proposed reduction; and (ii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds. The District also will covenant that, in the event an initiative is adopted which purports to reduce or otherwise alter the Rate and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

Litigation with Respect to Community Facilities Districts

Shapiro. The California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro* (2014) 228 Cal.App.4th 756 (the “San Diego Decision”). The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego (“San Diego”). The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

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

Horizon. The Sacramento County Superior Court had issued a tentative ruling in *Horizon Capital Investments, LLC v. City of Sacramento et al.* (Case No. 34-2017-80002661). That ruling subsequently became the court’s final order. As described below, this case involved an election to approve the levy of a special tax within a community facilities district (“CFD”) formed under the Act.

In 2017, the City of Sacramento initiated proceedings to form a CFD to finance certain costs to operate and maintain a streetcar line. As permitted by the Act, the proposed district included non-contiguous parcels of non-residential property. Because there were fewer than 12 registered voters residing within the territory of the proposed CFD, the City Council submitted the special tax proposed to be levied within the proposed CFD to the owners of land within the proposed CFD, as required by the Act. The proposed special tax received the requisite two-thirds vote in the landowner election.

Petitioners Horizon Capital Investments, LLC et al. filed a writ of mandate and complaint for reverse validation and declaratory relief. Petitioners argued, and the superior court agreed in its final ruling, that under section 4(a) of article XIII A of the California Constitution (which provides that “Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district [sic], may impose special taxes on such district...”) the phrase “qualified electors” means the registered voters of the entire City of Sacramento and not just the owners of the property within the boundaries of the proposed CFD. Citing the San Diego Decision, the tentative ruling states that the phrase “qualified electors of the district” refers to the registered voters of the entity imposing the special tax, which in this case was the City of Sacramento. Because the vote within the proposed

CFD was by landowners only and not by all registered voters in the City of Sacramento, the final ruling states that the special tax is invalid.

The superior court's final ruling is not binding upon other courts within the State and does not directly apply to the District, the Special Taxes, or the Bonds. The City of Sacramento did not appeal the superior court's ruling.

The Special Tax Election in the District. With respect to the San Diego Decision, the facts of such case show that there were thousands of registered voters within the CCFD (*viz.*, all of the registered voters in San Diego). The elections held in Improvement Area No. 2 had less than 12 registered voters at the time of the election to authorize the Special Taxes. In the San Diego Decision, the court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the court's holding in the San Diego Decision does not apply to the Special Tax election in Improvement Area No. 2. Moreover, Section 53341 of the Act provides that any "action or proceeding to attack, review, set aside, void or annul the levy of a special tax...shall be commenced within 30 days after the special tax is approved by the voters." Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds. The petitioners in *Horizon* filed the writ of mandate within 30 days of the landowner election. Property owners in Improvement Area No. 2 approved the Special Tax by unanimous consent and approval. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings and court decisions, the District believes that no successful challenge to the Special Tax being levied in accordance with the Rate and Method may now be brought. In connection with the issuance of the Bonds, Bond Counsel expects to deliver its opinion in the proposed form attached hereto as Appendix C.

Loss of Tax Exemption

As discussed under the heading "TAX MATTERS," interest on the Bonds could cease to be excluded from gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District or the County. In addition, it is possible that future changes in applicable federal tax laws could cause interest on the Bonds to be included in gross income for federal income taxation or could otherwise reduce the equivalent taxable yield of such interest and thereby reduce the value of the Bonds.

No Ratings – Limited Secondary Market

The District has not applied to have the Bonds rated by any nationally recognized bond rating company, and it does not expect to do so in the future.

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

Limitations on Remedies

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

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion and by limitations on remedies against public agencies in the State of California. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Potential Early Redemption of Bonds from Prepayments or Community Facilities District Bond Proceeds

Property owners within Improvement Area No. 2 are permitted to prepay their Special Taxes at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping community facilities district. Such prepayments will result in a redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Indenture following the receipt of the prepayment. The resulting redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See the caption "THE BONDS — Redemption — *Special Mandatory Redemption from Special Tax Prepayments.*"

Cybersecurity

The County relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the County and its departments and offices face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. In May 2016, a phishing email attack occurred in which the perpetrator accessed usernames and passwords of County employees and caused a breach of information for over 750,000 individuals. The County's District Attorney Cyber Investigative Response Team found the perpetrator and criminal charges were filed. After the incident, the County created the Office of Privacy within the Chief Executive Office, Risk Management Branch. In collaboration with the Chief Information Security Officer, the Office of Privacy oversees and coordinates the privacy, security, and policies of the County that relate to personally identifiable and protected health information. The Office of Privacy works with other county offices and officials, including information security and law enforcement personnel and data experts, to protect confidential information from unauthorized disclosures and to comply with Federal and State privacy and information technology security regulations and best practices.

In November 2018, the Board adopted revised Information Technology and Security Board Policies which set forth directives on best practices for use of the County's computer systems. These policies include an Information Security Policy, an Information Classification Policy, a Use of County Information Assets Policy, an Information Security Incident Reporting and Response Policy and an Information Technology Audit and Risk Assessment Policy. The County uses a risk-based approach to manage cybersecurity threats, which allows the County to evaluate the vulnerabilities of its systems and the threats posed thereto so that the County may timely react to and address each situation. The County also conducts cybersecurity awareness training as a component of its cyber liability insurance policy.

No assurances can be given that the County's security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the County's computer and information technology systems could impact its operations and damage the County's digital networks and systems, and the costs of remedying any such damage could be substantial.

CONTINUING DISCLOSURE

District Continuing Disclosure

Pursuant to a Continuing Disclosure Certificate, dated as of September 1, 2024 (the “Disclosure Certificate”), to be executed and delivered by the District at the time of issuance of the Bonds, the District will covenant for the benefit of the holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District by March 1 following the end of the District’s Fiscal Year (currently its Fiscal Year ends on June 30) (the “Annual Report”), commencing with the Annual Report for the Fiscal Year ending June 30, 2024, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the District with EMMA. The specific nature of the information to be contained in the Annual Report and the notice of enumerated events is set forth in Appendix F — “FORM OF DISTRICT CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12.

The District has not had any continuing disclosure undertakings outstanding during the previous five-year period. The County has adopted policies and procedures with respect to its continuing disclosure practices.

[The County did not timely file a notice of a rating upgrade with respect to the Community Facilities District No. 3 (Valencia/Newhall Area) of the County of Los Angeles, Improvement Area B Special Tax Refunding Bonds, Series 2011A. In addition, the notice of a rating upgrade with respect to the Los Angeles County Public Works Financing Authority, Lease Revenue Bonds, 2016 Series D (the “2016D Bonds”) did not identify all of the applicable CUSIPs of this issue. The County filed a notice of the rating change with the applicable CUSIPs for the 2016D Bonds. The annual report for Fiscal Year ending 2019 for the County’s Community Facilities District No. 3, Area C Special Tax 2012A Bonds and the annual report for the Fiscal Year ending 2021 for the County of Los Angeles 2012 Refunding Certificates of Participation (Disney Concert Hall Parking Garage) and the Los Angeles County Facilities Inc. Lease Revenue Bonds, Series 2018A and 2018B (Vermont Corridor County Administration Building) did not identify all applicable CUSIPs of this issue. The County filed notices of failure to file the annual reports and the respective annual reports with all applicable CUSIPs.]

Lennar Continuing Disclosure

To provide updated information with respect to its development within Improvement Area No. 2, Lennar Homes will enter into the Continuing Disclosure Certificate in the form attached hereto as Appendix G (the “Lennar Continuing Disclosure Certificate”), and will covenant to provide a Semi-Annual Reports not later than September 30 and March 31 of each year, beginning March 31, 2025, until satisfaction of certain conditions set forth in the Lennar Continuing Disclosure Certificate. The Semi-Annual Reports to be provided by Lennar Homes will contain updates regarding its development within Improvement Area No. 2 as outlined in Section 4 of the Lennar Continuing Disclosure Certificate attached as APPENDIX G. In addition to its Semi-Annual Reports, Lennar Homes will agree to provide notices of certain events relating to Lennar Homes as set forth in the Lennar Continuing Disclosure Certificate. Under the Lennar Continuing Disclosure Certificate, Lennar will also agree to provide in its Semi-Annual Reports, certain information relating to the property that Lennar Homes has an option to acquire under the Lennar Option Agreement and owned by the Landbank Owner, and notices of certain events relating to the Landbank Owner that are known to Lennar Homes.

Lennar Homes’ obligations under the Lennar Continuing Disclosure Certificate will terminate upon the earliest of: (a) the legal defeasance, prior redemption or payment in full of all of the Bonds, or (b) the date on which Lennar Homes owns or has an option under the Lennar Option Agreement to acquire no more than 253 residential lots (or property intended to be subdivided into fewer than 253 residential lots) in Improvement Area No. 2 subject to the Special Tax.

Lennar Homes has advised the District that, except as described in this paragraph, based on a review of prior continuing disclosure obligations in California, Lennar Homes is not aware of any material failures by it or any entity under managerial control of Lennar Homes to comply in all material respects with previous continuing disclosure undertakings in a written certificate or agreement executed by it or any entity under the managerial control of Lennar Homes to provide periodic continuing disclosure reports or notices of material events respecting securities offerings in California within the past five years. However, (i) in connection with a continuing disclosure obligation entered into with respect to the \$12,850,000 County of El Dorado District No. 2014-1 (Carson Creek) Special Tax Bonds Series 2016, Lennar Homes was late in filing the periodic reports due on April 1, 2017 and October 1, 2017; the oversight was discovered in late January, 2018, and Lennar Homes promptly filed a curative report on February 1, 2018; and (ii) in connection with the \$16,780,000 California Municipal Finance Authority Special Tax Revenue Bonds BOLD Program Series 2020B, Lennar Homes inadvertently failed to file the initial semi-annual report by the due date of May 1, 2021, but filed a curative report on May 21, 2021.

TAX EXEMPTION

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), generally certain corporations with more than \$1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

The excess of the stated redemption price at maturity of a Bond over the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Beneficial Owner will increase the Beneficial Owner’s basis in the applicable Bond.

Bond Counsel’s opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District, the County and others and is subject to the condition that the District, the County and others making such representations comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the County will covenant to comply with all such requirements.

The amount by which a Beneficial Owner’s original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Beneficial Owner’s basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Beneficial Owner realizing a taxable gain when a Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the

original cost of the Bond to the Beneficial Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of other similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel’s opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District and the County continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Should interest on the Bonds (including any original issue discount) become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

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

LEGAL OPINION

The legal opinion of Bond Counsel approving the validity of the Bonds, in substantially the form set forth as Appendix C hereto, will be made available to purchasers of the Bonds at the time of original delivery of the Bonds. Certain legal matters will be passed upon for the County and the District by County Counsel, and

for the District by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel, for the Underwriter by Anzel Galvan LLP, and for the Trustee by its counsel. Bond Counsel undertakes no responsibility to the purchasers of the Bonds for the accuracy, completeness or fairness of this Official Statement.

ABSENCE OF LITIGATION

In connection with the issuance of the Bonds, County Counsel will deliver an opinion to the effect that, to their actual knowledge, after due inquiry and investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, or any unfavorable decision, ruling or finding, against or affecting the District, which would adversely impact the District's ability to complete the transactions described in, or contemplated by, the Indenture or this Official Statement, restrain or enjoin the collection of the Special Taxes, or in any way contest or affect the validity of the Bonds, the Indenture, the Special Taxes, or the transactions described herein.

NO RATING

The District has not made, and does not contemplate making, an application to any rating organization for the assignment of a rating on the Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$ _____ (being the \$ _____ aggregate principal amount of the Bonds, less an Underwriter's discount of \$ _____, plus original issue premium of \$741,502.45). The Bond Purchase Agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter's compensation is contingent upon the successful issuance of the Bonds.

Under certain circumstances, the Underwriter may offer and sell the Bonds to certain dealers and others at prices lower or yields higher than those stated on the page immediately following the cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Underwriter and its counsel, Bond Counsel, Disclosure Counsel and the Trustee are contingent upon the issuance and delivery of the Bonds. From time to time, Stradling Yocca Carlson & Rauth LLP, represents the Underwriter on matters unrelated to the Bonds.

MUNICIPAL ADVISOR

The District has retained Fieldman, Rolapp & Associates, Inc., Irvine, California, as Municipal Advisor for the sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Fieldman, Rolapp & Associates, Inc., is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as

presentations of fact, and actual results may differ substantially from those set forth therein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the Owners of the Bonds.

The summaries of certain provisions of the Bonds, statutes and other documents or agreements referred to in this Official Statement do not purport to be complete, and reference is made to each of them for a complete statement of their provisions. Copies are available for review by making requests to the County.

The execution and delivery of this Official Statement by the Treasurer and Tax Collector of the County has been duly authorized by the Board of Supervisors of the County acting in its capacity as the legislative body of the District.

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

By: _____
Elizabeth Buenrostro Ginsberg
Treasurer and Tax Collector

APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

COUNTY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 2021-01 (VALENCIA-FACILITIES) IMPROVEMENT AREA NO. 2

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 2 ("IA No. 2") of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) ("CFD No. 2021-01 (IA No. 2)") and collected each Fiscal Year commencing in Fiscal Year 2022-2023, 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. 2), 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. 2): 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. 2) or any designee thereof of complying with arbitrage rebate requirements; the costs to the County, CFD No. 2021-01 (IA No. 2) or any designee thereof of complying with County, CFD No. 2021-1 (IA No. 2), 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. 2), 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. 2) for any other administrative purposes of CFD No. 2021-01 (IA No. 2), 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. 2).

“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. 2) under the Act.

“Boundary Map” means a recorded map which indicates the boundaries of CFD No. 2021-01 (IA No. 2).

“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. 2)” means Improvement Area No. 2 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. 2” or **“IA No. 2”** means Improvement Area No. 2 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. 2).

“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. 2).

“Property Owner Association Property” means, for each Fiscal Year, any property within the boundaries of CFD No. 2021-01 (IA No. 2) 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. 2) 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. 2.

“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. 2) 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. 2) 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 2022-2023, 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 2022-2023 Assigned Special Tax applicable to an Assessor's Parcel of Developed Property shall be determined pursuant to Table 1 below.

Table 1: Fiscal Year 2022-2023 Assigned Special Taxes for Developed Property

Land Use Class	Description	Assigned Special Tax
1	DETACHED PROPERTY (\geq 4,201 SF)	\$7,031 PER DWELLING UNIT
2	DETACHED PROPERTY (4,001 - 4,200 SF)	\$6,623 PER DWELLING UNIT
3	DETACHED PROPERTY (3,801 - 4,000 SF)	\$6,216 PER DWELLING UNIT
4	DETACHED PROPERTY (3,601 - 3,800 SF)	\$5,809 PER DWELLING UNIT
5	DETACHED PROPERTY (3,401 - 3,600 SF)	\$5,401 PER DWELLING UNIT
6	DETACHED PROPERTY (3,201 - 3,400 SF)	\$4,994 PER DWELLING UNIT
7	DETACHED PROPERTY (3,001 - 3,200 SF)	\$4,587 PER DWELLING UNIT
8	DETACHED PROPERTY (2,801 - 3,000 SF)	\$4,179 PER DWELLING UNIT
9	DETACHED PROPERTY (2,601 - 2,800 SF)	\$3,772 PER DWELLING UNIT
10	DETACHED PROPERTY ($<$ 2,601 SF)	\$2,958 PER DWELLING UNIT
11	CLUSTER PROPERTY (\geq 3,101 SF)	\$4,301 PER DWELLING UNIT
12	CLUSTER PROPERTY (2,901 - 3,100 SF)	\$4,237 PER DWELLING UNIT
13	CLUSTER PROPERTY (2,701 - 2,900 SF)	\$4,035 PER DWELLING UNIT
14	CLUSTER PROPERTY (2,501 - 2,700 SF)	\$3,819 PER DWELLING UNIT
15	CLUSTER PROPERTY (2,301 - 2,500 SF)	\$3,603 PER DWELLING UNIT
16	CLUSTER PROPERTY (2,101 - 2,300 SF)	\$3,428 PER DWELLING UNIT
17	CLUSTER PROPERTY (1,901 - 2,100 SF)	\$2,875 PER DWELLING UNIT
18	CLUSTER PROPERTY (1,701 - 1,900 SF)	\$2,593 PER DWELLING UNIT
19	CLUSTER PROPERTY (1,501 - 1,700 SF)	\$2,350 PER DWELLING UNIT
20	CLUSTER PROPERTY ($<$ 1,501 SF)	\$2,350 PER DWELLING UNIT
21	ATTACHED PROPERTY (\geq 2,451 SF)	\$3,186 PER DWELLING UNIT
22	ATTACHED PROPERTY (2,301 - 2,450 SF)	\$3,186 PER DWELLING UNIT
23	ATTACHED PROPERTY (2,151 - 2,300 SF)	\$2,743 PER DWELLING UNIT
24	ATTACHED PROPERTY (2,001 - 2,150 SF)	\$2,743 PER DWELLING UNIT
25	ATTACHED PROPERTY (1,851 - 2,000 SF)	\$2,380 PER DWELLING UNIT
26	ATTACHED PROPERTY (1,701 - 1,850 SF)	\$2,338 PER DWELLING UNIT
27	ATTACHED PROPERTY (1,551 - 1,700 SF)	\$2,061 PER DWELLING UNIT
28	ATTACHED PROPERTY (1,401 - 1,550 SF)	\$2,021 PER DWELLING UNIT
29	ATTACHED PROPERTY (1,251 - 1,400 SF)	\$1,761 PER DWELLING UNIT
30	ATTACHED PROPERTY (1,101 - 1,250 SF)	\$1,575 PER DWELLING UNIT
31	ATTACHED PROPERTY (951 - 1,100 SF)	\$1,369 PER DWELLING UNIT
32	ATTACHED PROPERTY (801 - 950 SF)	\$1,239 PER DWELLING UNIT
33	ATTACHED PROPERTY (651 - 800 SF)	\$978 PER DWELLING UNIT
34	ATTACHED PROPERTY ($<$ 651 SF)	\$848 PER DWELLING UNIT
35	APARTMENT PROPERTY	\$0.520 PER APARTMENT FLOOR AREA
36	NON-RESIDENTIAL PROPERTY	\$0.316 PER NON-RESIDENTIAL FLOOR AREA

On each July 1, commencing on July 1, 2023, 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 2022-2023, 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 2022-2023 Backup Special Tax

Final Map	Backup Special Tax
61101-22	\$88,492 PER ACRE
61101-23	\$72,175 PER ACRE
61105-24	\$57,385 PER ACRE
61105-25	\$79,653 PER ACRE
61105-26	\$83,217 PER ACRE
61105-27	\$74,738 PER ACRE
61105-28	\$89,113 PER ACRE
61105-29	\$94,569 PER ACRE
61105-30	\$95,575 PER ACRE
ALL OTHER FINAL MAPS (excluding Apartment Property)	\$58,318 PER ACRE

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

- Backup Special Tax for Residential Property per Dwelling Unit = ((Backup Special Tax) X (Acreage of all Assessor’s Parcels of Residential Property in Final Map)) / (Number of Dwelling Units of Residential Property in Final Map).
 - The Backup Special Tax for Non-Residential Property in a Final Map for Fiscal Year 2022-2023 shall be \$58,318 per Acre.
- ii. The Backup Special Tax for an Assessor’s Parcel of Apartment Property, in Fiscal Year 2022-2023, shall equal the lesser of (a) the amount per Acre as shown below and (b) the amount in connection with any reduction in the Assigned Special Tax as set forth in Section H herein.
- The Backup Special Tax for Apartment Property for Fiscal Year 2022-2023 shall be \$10,795 per Acre for Assessor’s Parcel 2826-184-003, \$28,399 per Acre for Assessor’s Parcel Number 2826-178-004, and \$29,031 per Acre for Assessor’s Parcel Number 2826-178-003.

On each July 1, commencing July 1, 2023, 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. 2) 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. 2), 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. 2) 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. 2).

C.2 Final Mapped Property

The Fiscal Year 2022-2023 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, 2023, 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 2022-2023 Maximum Special Tax for each Assessor's Parcel of Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property shall be \$58,318 per Acre.

On each July 1, commencing July 1, 2023, 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 2022-2023 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 33.28 Acres of Property Owner Association Property or Public Property in CFD No. 2021-01 (IA No. 2). Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property in CFD No. 2021-01 (IA No. 2) becomes Public Property or Property Owner Association Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Special Tax.

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

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

F APPEALS AND INTERPRETATIONS

Any taxpayer may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was

made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for the disagreement with the CFD Administrator's determination.

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

G PREPAYMENT

The following additional definitions apply to this Section G:

“CFD Public Facilities” means \$31,394,348 or such lower amount (i) authorized by the Board to provide the public facilities to be funded under CFD No. 2021-01 (IA No. 2), 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. 2 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. 2) 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):

<u>Prepayment Amount</u>	
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
<hr/>	
Total: equals Special Tax Prepayment Amount	

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

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For an Assessor's Parcel of Developed Property, compute the Maximum Special Tax for the Assessor's Parcel. For an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax for the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has been issued for the Assessor's Parcel. For an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a Building Permit has not been issued, Public Property or Property Owner's Association Property to be prepaid, compute the Maximum Special Tax for the Assessor's Parcel.
3. Divide the Maximum Special Tax derived pursuant to paragraph 2 by the total amount of Special Taxes that could be levied at the Maximum Special Tax at build out of all Assessor's Parcels of Taxable Property based on the applicable Maximum Special Tax for Assessor's Parcels of Developed Property not including any Assessor's Parcels for which the Special Tax obligation has been previously prepaid.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Determine the Future Facilities Cost.
7. Multiply the quotient derived pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to determine the amount of Future Facilities Costs for the Assessor's Parcel, which amount shall not be less than \$0 (the "Future Facilities Amount").
8. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds on which Bonds can be redeemed from the Prepayment Amount.

9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Determine the amount the CFD Administrator reasonably expects to derive from the investment of the Bond Redemption Amount and the Redemption Premium from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the Prepayment Amount.
11. Add the amounts derived pursuant to paragraphs 8 and 9 and subtract the amount derived pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 2021-01 (IA No. 2), 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. 2).

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. 2) 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. 2) that there has been a Partial Prepayment for the Assessor's Parcel and that a portion of the Special Tax obligation equal to the remaining percentage (1.00 - F) of Special Tax obligation will continue on the Assessor's Parcel pursuant to Section D.

H SPECIAL TAX REDUCTION

The following definitions apply to this Section H:

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

“Plan Type” means a discrete residential plan type generally consisting of residential Dwelling Units that share a common product type (e.g., detached, attached, and cluster) and that have nearly identical amounts of living area, that is constructed or expected to be constructed within CFD No. 2021-01 (IA No. 2) 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. 2) 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. 2), the County, or the developer, (d) does not have any substantial interest, direct or indirect, with or in CFD No. 2021-01 (IA No. 2), the County, any owner of real property in CFD No. 2021-01 (IA No. 2), or any real property in CFD No. 2021-01 (IA No. 2), and (e) is not connected with CFD No. 2021-01 (IA No. 2) 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. 2) 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. 2), (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. 2) in such Fiscal Year or that would have been levied or imposed on all such Dwelling Units had these Dwelling Units been subject to such levies (excluding homeowner’s association dues and Property Assessed Clean Energy (“PACE”) charges imposed pursuant to AB 811 or SB 555, that are levied on individual Assessor’s Parcels).

Prior to the issuance of the first series of Bonds, the following steps shall be taken for each Land Use Class of for-sale Residential Property in CFD No. 2021-01 (IA No. 2) 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. 2).
3. Separately, for each Land Use Class of for-sale Residential Property in CFD No. 2021-01 (IA No. 2), 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. 2) 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. 2).
 - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class in CFD No. 2021-01 (IA No. 2) 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. 2), 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. 2). 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. 2), 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. 2) 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. 2). 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. 2) 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. 2) 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. 2) of the acknowledgement on the Certificate to Amend the Special Tax, CFD No. 2021-01 (IA No. 2) 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. 2) reflecting the Assigned Special Tax and the Backup Special Tax for CFD No. 2021-01 (IA No. 2) 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. 2) 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 2062-2063. The Special Taxes will cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on the Bonds have been paid, no delinquent Special Taxes remain uncollected, and the County has covenanted that it will not issue any more Bonds (other than refunding Bonds) to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

EXHIBIT A

CERTIFICATE TO AMEND THE SPECIAL TAX

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

IMPROVEMENT AREA NO. 2

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. 2) set forth in Table 1 of the Rate and Method of Apportionment for CFD No. 2021-01 (IA No. 2).
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. 2) shall be amended and restated in full as follows:

Table A-1: Assigned Special Tax for Developed Property

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

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

Table A-2: Backup Special Tax

Final Map	Backup Special Tax
61101-22	[\$ _____] PER ACRE
61101-23	[\$ _____] PER ACRE
61105-24	[\$ _____] PER ACRE
61105-25	[\$ _____] PER ACRE
61105-26	[\$ _____] PER ACRE
61105-27	[\$ _____] PER ACRE
61105-28	[\$ _____] PER ACRE
61105-29	[\$ _____] PER ACRE
61105-30	[\$ _____] 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.

The Backup Special Tax for Apartment Property for Fiscal Year _____ shall be \$ _____ per Acre for Assessor’s Parcel 2826-184-003, \$ _____ per Acre for Assessor’s Parcel Number 2826-178-004, and \$ _____ per Acre for Assessor’s Parcel Number 2826-178-003.

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. 2), the County shall cause an amended Notice of Special Tax Lien for CFD No. 2021-01 (IA No. 2) 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. 2), receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

Improvement Area No. 2 of Community Facilities District No. 2021-01 (Valencia-Facilities) of the County of Los Angeles

By: _____

Date as of: _____

APPENDIX B

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information relating to the County of Los Angeles (the “County”) and the State of California (the “State”) is supplied solely for purposes of information. Neither the State nor the County is obligated in any manner to pay principal of or interest on the Bonds or to cure any delinquency or default on the Bonds. The Bonds are payable solely from the sources described in the Official Statement.

General Information

The County was established by an act of the California State Legislature on February 18, 1850 as one of California’s original 27 counties. Located in the southern coastal portion of the State, the County covers 4,083 square miles and includes 88 incorporated cities as well as many unincorporated communities. With a population of 9.8 million in 2023, the County is the most populous of the 58 counties in California and has a larger population than 41 states.

As required by the County Charter, County ordinances, and State or Federal mandates, the County is responsible for providing government services at the local level for activities including public welfare, health and justice, the maintenance of public records, and administration of ad valorem taxes. The County provides services such as law enforcement and public works to cities within the County on a cost-recovery contract basis. The County also provides certain municipal services to unincorporated areas of the County and operates recreational and cultural facilities throughout the County.

[TO COME]

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

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

Re: \$ _____ *County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024*

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the County of Los Angeles (the “County”) taken in connection with the formation of County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “District”) and the authorization and issuance of the District’s County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024 (the “Bonds”) and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the County, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), a resolution adopted by the Board of Supervisors of the County, acting in its capacity as the legislative body of the District (the “Board of Supervisors”) on August 6, 2024 (the “Resolution”), and a Bond Indenture (the “Indenture”) dated as of September 1, 2024, by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). All capitalized terms not defined herein shall have the meaning set forth in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture. The Bonds are limited obligations of the District but are not a debt of the County, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Net Taxes, neither the faith and credit nor the taxing power of the County, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The Indenture has been duly executed and delivered by the District. The Indenture creates a valid pledge of, and the Bonds are secured by, the Net Taxes and the amounts on deposit in certain funds and accounts established under the Indenture, as and to the extent provided in the Indenture. The Indenture is enforceable in accordance with its terms; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses or as to indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations.

(4) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner’s basis in the applicable Bond.

(6) The amount by which a Bond Owner’s original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner’s basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner.

The opinions expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District and the County comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the County have covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate executed by the District and the County and other documents related to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth LLP.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction. We call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, by the application of equitable principles and the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the Owners of the Bonds with respect to matters contained in the Official Statement or other offering material.

The opinions expressed herein are based upon an analysis of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur).

Respectfully submitted,

APPENDIX D
APPRAISAL REPORT

APPENDIX E

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture which are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of the provisions thereof.

APPENDIX F

FORM OF DISTRICT CONTINUING DISCLOSURE CERTIFICATE

APPENDIX G

LENNAR CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE (Lennar Homes of California, LLC)

This Continuing Disclosure Certificate (Lennar Homes of California, LLC) (this “**Disclosure Certificate**”) is executed and delivered by Lennar Homes of California, LLC, a California limited liability company (the “**Property Owner**”), in connection with the issuance by County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “**District**”) of the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (Improvement Area No. 2) Special Tax Bonds, Series 2024 (the “**Bonds**”). The Bonds are being issued pursuant to a Bond Indenture, dated as of September 1, 2024, by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”) (the “**Indenture**”). The Property Owner covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Property Owner for the benefit of the holders and beneficial owners of the Bonds.

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“**Affiliate**” means any person presently directly (or indirectly through one or more intermediaries) under managerial control of the Property Owner, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to the proposed development of the Property or to the Property Owner’s ability to pay the Special Taxes levied on the Property prior to delinquency).

“**Assumption Agreement**” means an undertaking of a Major Owner, for the benefit of the holders and beneficial owners of the Bonds, containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner’s development and financing plans with respect to the property in Improvement Area No. 2 acquired by the Major Owner), whereby such Major Owner agrees to provide semi-annual reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in Improvement Area No. 2 owned by such Major Owner and, at the option of the Property Owner or such Major Owner, agrees to indemnify the Dissemination Agent (if other than such Major Owner) pursuant to a provision substantially in the form of Section 12 hereof.

“**Dissemination Agent**” means the Property Owner or an entity experienced in providing dissemination agent services such as those required under this Disclosure Certificate designated by the Property Owner to serve as the Dissemination Agent hereunder and who has accepted such obligation in writing, and for which the Property Owner has filed with the District and the Participating Underwriter notice of such designation and acceptance.

“**District**” means County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities).

“**Improvement Area No. 2**” means Improvement Area No. 2 of the District.

“**Landbank**” means Valencia Phase One – Newhall, L.P., a Delaware limited partnership, and its successors and assigns.

“Lennar Option Agreement” means the Option and Development Agreement, dated December 27, 2019, by and between the Property Owner and the Landbank.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“Major Owner” means, as of any date of calculation, an owner of land, and together with any Affiliates, who owns ____ or more residential lots (or property intended to be subdivided into ____ 253 or more residential lots) in Improvement Area No. 2.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the final Official Statement dated _____, 2024, executed by the District in connection with the issuance of the Bonds.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds.

“Property” means, as of the date of determination, collectively, the real property within Improvement Area No. 2 of the District that (i) is owned by the Property Owner, (ii) is owned by the Landbank and under option to be purchased by the Property Owner, or (iii) the Property Owner has sold to a Major Owner who has not assumed the undertakings of this Disclosure Certificate under Section 7(b) with respect to such property.

“Report Date” means (a) March 31 of each year, and (b) September 30 of each year.

“Semi-Annual Report” means any Semi-Annual Report provided by the Property Owner pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Special Taxes” means the special taxes of the District levied on the Property.

Section 3. Provision of Semi-Annual Reports.

(a) Until such obligations are terminated pursuant to Section 7 herein, the Property Owner shall, or upon written direction of the Property Owner the Dissemination Agent shall, not later than the Report Date, commencing March 31, 2025, provide to the MSRB, in an electronic format as prescribed by the MSRB, a Semi-Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Participating Underwriter and the District. Not later than 15 calendar days prior to the Report Date, the Property Owner shall provide the Semi-Annual Report to the Dissemination Agent (if different from the Property Owner). The Property Owner shall provide a written certification with (or included as a part of) each Semi-Annual Report furnished to the Dissemination Agent (if different from the Property Owner), the Participating Underwriter and the District to the effect that such Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Participating Underwriter, and the District may conclusively rely upon such certification of the Property Owner and shall have no duty or obligation to review the Semi-Annual Report. The Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent is not the Property Owner and it does not receive a Semi-Annual Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Property Owner that the Semi-Annual Report has not been provided as required under Section 3(a) above.

The reminder notice shall instruct the Property Owner to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 7 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Property Owner does not provide, or cause the Dissemination Agent to provide, a Semi-Annual Report to the MSRB by the Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice to the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the District and the Participating Underwriter.

(c) The Dissemination Agent shall:

(i) determine prior to each Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of continuing disclosure reports; and

(ii) to the extent the Semi-Annual Report has been furnished to it, file a report with the Property Owner (if the Dissemination Agent is other than the Property Owner), the District, and the Participating Underwriter certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Semi-Annual Reports. Each Semi-Annual Report shall contain or incorporate by reference the information set forth in Exhibit A, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Property Owner or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The Property Owner shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit A, each Semi-Annual Report shall include such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) Until such obligations are terminated pursuant to Section 7 herein, the Property Owner shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself and the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Property Owner and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Property Owner or the Landbank owning any Property that could reasonably be expected to have a material adverse effect on the Property Owner's ability to develop the Property as described in the Official Statement or a more recently filed Semi-Annual Report or to pay the Special Taxes with respect to the Property (to the extent the responsibility of the Property Owner) prior to delinquency. For purposes of this paragraph, bankruptcy or insolvency proceedings are considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the applicable entity in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the applicable entity, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the applicable entity;

(ii) failure to pay any Special Taxes due with respect to the Property prior to the delinquency date, to the extent such failure is not promptly cured by the Property Owner or the Landbank upon discovery thereof;

(iii) filing of a lawsuit against the Property Owner or, if known, an Affiliate of the Property Owner or the Landbank owning any Property, seeking damages which, if successful, could reasonably

be expected to have a material and adverse impact on Property Owner's ability to develop the Property as described in the Official Statement or a more recently filed Semi-Annual Report or to pay the Special Taxes with respect to the Property (to the extent the responsibility of the Property Owner) prior to delinquency;

(iv) material damage to or destruction of any of the improvements on the Property;

(v) any payment default or other material default by the Property Owner that continues to exist beyond any applicable notice and cure periods on any loan with respect to the construction of improvements on the Property or under the Lennar Option Agreement; and

(vi) if known, any material default by the Landbank that continues to exist beyond any applicable notice and cure periods under the Lennar Option Agreement.

(b) Whenever the Property Owner obtains knowledge of the occurrence of a Listed Event, the Property Owner shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Property Owner determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Property Owner shall, or shall cause the Dissemination Agent to, in a timely manner, with respect to any event relating to the Property Owner or its Affiliates, not in excess of 10 business days of the occurrence thereof, and with respect to any event relating to the Landbank, not in excess of 10 business days of such date of determination thereof, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the District and the Participating Underwriter.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Duration of Reporting Obligation.

(a) All of the Property Owner's obligations hereunder shall commence on the date hereof and shall terminate (except as provided in Section 12) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the Bonds, or

(ii) the date on which the Property Owner owns or has an option under the Lennar Option Agreement to acquire no more than ____ residential lots (or property intended to be subdivided into fewer than ____ residential lots) in Improvement Area No. 2 subject to the Special Tax, or

(iii) the date on which all of the Special Taxes attributable to the Property have been paid in full.

The Property Owner shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) If a portion of the Property is conveyed to a person or entity that, upon such conveyance, will be a Major Owner, the obligations of the Property Owner hereunder with respect to the property conveyed to such Major Owner may be assumed by such Major Owner and the Property Owner's obligations hereunder with respect to the property conveyed will be terminated. In order to effect such assumption, such Major Owner shall enter into an Assumption Agreement in form and substance substantially similar to this Disclosure Certificate.

Section 8. Dissemination Agent. The Property Owner may, from time to time, with the written consent of the District, appoint or engage a Dissemination Agent to assist the Property Owner in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with the written consent of the District, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Property Owner. The Dissemination Agent may resign by providing 30 days' written notice to the District, the Property Owner, the District, and the Participating Underwriter.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Property Owner may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied (provided, however, that the Dissemination Agent shall not be obligated under any such amendment that modifies or increases its duties or obligations hereunder without its written consent thereto):

(a) if the amendment or waiver relates to the provisions of sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, or change in law;

(b) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Property Owner from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Semi-Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Property Owner chooses to include any information in any Semi-Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Property Owner shall have no obligation under this Disclosure Certificate to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Property Owner to comply with any provision of this Disclosure Certificate, the Participating Underwriter, the District, and any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Property Owner to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Property Owner to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Property Owner agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding any loss, expense and liabilities due to the Dissemination Agent's negligence or willful misconduct or failure to perform its duties hereunder. If the Dissemination Agent is not the Property Owner, the Dissemination Agent shall be paid compensation for its services provided hereunder by the Property Owner in accordance with the Dissemination Agent's schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Property Owner, the Participating Underwriter, the Bond owners, or any other party. The obligations of the Property Owner under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given by regular, overnight, or electronic mail as follows:

To the issuer:

County of Los Angeles Community Facilities
District No. 2021-01 (Valencia-Facilities)
Kenneth Hahn Hall of Administration
500 W. Temple Street, Room 432
Los Angeles, CA 90012
Attention: Public Finance
Email: DWiles@ttc.lacounty.gov

To the Participating Underwriter:

Stifel, Nicolaus & Company, Incorporated.
2121 Avenue of the Stars, Suite 2150
Los Angeles, CA 90067
Attn: Public Finance Department
Email: jcampos@stifel.com

To the Property Owner:

Lennar Homes of California, LLC
2000 Fivepoint Suite 300
Irvine, CA 92618
Attention: JR Jones, Vice President, Land
Acquisition
Email: JR.Jones@lennar.com
<mailto:dan@mckinleycp.com>

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Property Owner (its successors and assigns), the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. All obligations of the Property Owner hereunder shall be assumed by any legal successor to the obligations of the Property Owner as a result of a sale, merger, consolidation or other reorganization.

Date: _____, 2024

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT A

SEMI-ANNUAL REPORT

[MARCH 31, ____ / SEPTEMBER 30, ____]

\$ _____

**COUNTY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(VALENCIA-FACILITIES)
(IMPROVEMENT AREA NO. 2)
SPECIAL TAX BONDS, SERIES 2024**

This Semi-Annual Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Lennar Homes of California, LLC) (the “**Disclosure Certificate**”) dated _____, 2024, executed by the undersigned (the “**Property Owner**”) in connection with the issuance by the County of Los Angeles Community Facilities District No. 2021-01 (Valencia-Facilities) (the “**District**”) of the bonds captioned above (the “**Bonds**”) for Improvement Area No. 2 of the District.

Capitalized terms used in this Semi-Annual Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

I. Property Ownership and Development

The information in this section is provided as of _____ (this date must be not more than 60 days before the Report Date of this Semi-Annual Report).

A. Description of the Property being developed by the Property Owner in Improvement Area No. 2 of the District (the “**Property**”) in substance and form similar to such information in the Official Statement for the Bonds under the headings “PROPERTY OWNERSHIP AND THE DEVELOPMENT –Merchant Builder Ownership of Improvement Area No. 2” and “— Lennar Homes Development.”

B. Updated information regarding land development and home construction activities with respect to the Property described in the Official Statement for the Bonds under the heading “PROPERTY OWNERSHIP AND THE DEVELOPMENT—Lennar Homes Development,” or the Semi-Annual Report last filed in accordance with the Disclosure Certificate. Such information shall include the number of lots acquired by the Property Owner, the number of building permits issued, the number of homes sold and the number of homes closed to individuals.

C. Status of any material changes to the description of land use or development entitlements for the Property described in the Official Statement for the Bonds under the heading “PROPERTY OWNERSHIP AND THE DEVELOPMENT—Lennar Homes Development,” or the Semi-Annual Report last filed in accordance with the Disclosure Certificate.

D. Other than as covered in Section B above, the status of any land purchase contracts or takedowns of lots under the Lennar Option Agreement with regard to the Property, whether acquisition of land in Improvement Area No. 2 by the Property Owner or sales of land to other property owners (other than individual homeowners).

II. Legal and Financial Status of Property Owner

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any material change in the legal structure of the Property Owner or the financial condition and financing plan of the Property Owner that could reasonably be expected to materially and adversely interfere with its ability to complete its development plan described in the Official Statement. To the extent that the ownership of the Property Owner has changed, describe all material terms of the new ownership structure.

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any development plans or financing plans relating to the Property *that are materially different from* the proposed development and financing plan described in the Official Statement.

IV. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any other significant changes in the information relating to the Property Owner, the Lennar Option Agreement or the Property contained in the Official Statement under the heading “PROPERTY OWNERSHIP AND THE DEVELOPMENT — Lennar Homes Development” that could reasonably be expected to materially and adversely interfere with the Property Owner’s ability to develop and sell the Property as described in the Official Statement.

V. Status of Tax Payments

Describe the status of payment of taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property owned by the Property Owner, its Affiliates and/or the Landbank.

VI. Other Material Information

In addition to any of the information expressly required above, provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Certification

On behalf of the Property Owner, the undersigned officer or representative, based on actual knowledge after reasonable inquiry of employees of Property Owner and its Affiliates, hereby certifies that this Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by the Property Owner under the Disclosure Certificate.

ANY OTHER STATEMENTS REGARDING THE PROPERTY OWNER, THE DEVELOPMENT OF THE PROPERTY, THE PROPERTY OWNER'S FINANCING PLAN OR FINANCIAL CONDITION, OTHER THAN STATEMENTS MADE BY THE PROPERTY OWNER IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE PROPERTY OWNER. THE PROPERTY OWNER IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

THE PROPERTY OWNER HAS NO OBLIGATION TO UPDATE THIS SEMI-ANNUAL REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated: _____

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By: _____

Name: _____

Title: _____

APPENDIX H

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX I
MARKET ABSORPTION STUDY