

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 2, 2024

CAO File No. 0220-05291-1541

Council File No.

Council District: 11

To: The Mayor
The Council

From: Matthew W. Szabo, City Administrative Officer 

Reference: Community Facilities District No. 4 (Playa Vista – Phase 1)

Subject: **AUTHORIZATION FOR THE ISSUANCE AND SALE OF THE CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA - PHASE 1) SPECIAL TAX REFUNDING BONDS, SERIES 2024 IN A PRINCIPAL AMOUNT NOT TO EXCEED \$40 MILLION, AND THE EXECUTION OF RELATED DOCUMENTS AND VARIOUS ACTIONS IN CONNECTION THEREWITH**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. ADOPT the attached Authorizing Resolution providing for the issuance and sale of the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024 and the execution and delivery of various bond documents and other actions in connection therewith; and
2. AUTHORIZE the City Administrative Officer to make technical changes and adjustments as necessary to implement the Mayor and Council intentions as described in this report.

SUMMARY

The City Administrative Officer (CAO) requests approval of the attached Authorizing Resolution (Attachment A) that provides for the issuance and sale of up to \$40 million in principal amount of City of Los Angeles Community Facilities District No. 4 (Play Vista – Phase 1) (the District) Special Tax Refunding Bonds, Series 2024 (the Series 2024 Bonds). The Series 2024 Bonds are being issued to refund the District's outstanding Special Tax Refunding Bonds, Series 2014 to achieve interest cost savings, subject to the refunding parameters in the City's Debt Management Policy.

The Series 2024 Bonds are proposed to be issued to secure lower annual and total debt service payments and reduce the special tax levied on property owners within the District. Assuming an interest rate environment as of July 25, 2024, net present value savings generated by the issuance of the Series 2024 Bonds is estimated at \$3.05 million, or 6.66 percent of the refunded par. The

estimated refunding savings are expected to generate savings per household averaging \$945 annually. Total estimated savings per household over the term of the Series 2024 Bonds is \$5,670.

The Series 2024 Bonds will be issued as Mello-Roos bonds and will represent limited obligations secured solely by special taxes paid by the property owners within the District. Mello-Roos bonds are not secured by City revenues, are not part of the City's debt service to revenues calculation, and represent an entirely separate credit from the City's credit.

The CAO recommends that the Series 2024 Bonds be sold on a negotiated basis because of its unique credit characteristics, it is expected that a negotiated sale will allow more targeted investor outreach efforts to achieve the lowest true interest cost and maximize estimated refunding savings. Thus, the use of competitive bidding under Charter Section 371 to sell the Series 2024 Bonds would be undesirable and impractical and it is in the best financial interest of the District to propose to sell the Series 2024 Bonds through a negotiated sale. The bond sale is expected to close in late September 2024.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund as a result of the recommendations contained in this report. The Series 2024 Bonds are payable solely from Mello-Roos special tax revenues collected from parcels within the District. All costs associated with this transaction will be paid by proceeds of the Series 2024 Bonds or existing special tax revenues, and in no event shall the General Fund be called upon for the repayment of any principal or interest on these bonds.

FINANCIAL POLICIES STATEMENT

Consistent with the City's Financial Policies, all consultant and City costs associated with the issuance of bonds are paid by the District through the levy and collection of special taxes for this purpose. Also consistent with the City's Mello-Roos and Assessment Financing Policies, as refunding bonds, the Series 2024 Bonds exceed the City's value-to-lien requirement, will not exceed the City's maximum tax burden threshold of two percent of assessed value on property annually, will comply with the minimum debt service coverage ratio of 110 percent, will meet the reserve fund requirement, and will amortize in less than 25 years.

DEBT IMPACT STATEMENT

There is no debt impact to the General Fund from the approval of the recommendations in this report. The Series 2024 Bonds are payable solely from Mello-Roos special tax revenues collected from parcels within the District. A default in the repayment of Mello-Roos bonds would not adversely affect the City's general credit rating because Mello-Roos bonds are not payable from the General Fund.

FINDINGS

1. BACKGROUND

The District is located in the neighborhood of Playa Vista in Council District 11. The development within the District consists of condominium and apartment units, single family residences and commercial, industrial and retail developments. The District also includes a fire station, a branch of the Los Angeles Public Library, a sports complex, a concert area, an elementary school, a clubhouse for area residents including a swimming pool and meeting rooms and several acres of parks. The taxable property within the District includes 13 parcels of industrial/office/retail property totaling approximately 510,527 square feet (including an 80 unit assisted living facility) and 2,311 dwelling units (including both for-sale and rental units). There is no remaining undeveloped property within the District.

The District is authorized under the Mello-Roos Community Facilities Act of 1982 to levy special taxes to pay for the costs of certain public facilities and to issue bonds payable from special taxes levied within the District. To provide funds to finance certain public facilities (e.g. parks and landscaping, fire station, street and traffic improvements, storm drains, and water and sewer system improvements), the District issued \$135 million aggregate principal amount of City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Bonds, Series 2003 (the Series 2003 Bonds). A subsequent series of bonds was issued in 2014 by the District to refund the initial Series 2003 obligation.

2. PROPOSED TRANSACTION

In August 2014, the District issued \$81.2 million City of Los Angeles Community Facilities District No. 4 (Play Vista – Phase 1) Special Tax Refunding Bonds, Series 2014 (the Prior Bonds). The Prior Bonds were issued for the purpose of refinancing the then outstanding Series 2003 Bonds. The Prior Bonds are currently outstanding in the principal amount of \$50.7 million, of which \$45.8 million can be refunded on or after September 1, 2024.

The proposed Series 2024 Bonds will be issued in an amount not to exceed \$40 million for the purposes of refunding the Prior Bonds to secure lower annual and total debt service payments and reduce the special tax levied on property owners within the District. Assuming an interest rate environment as of July 25, 2024, net present value savings generated by the issuance of the Series 2024 Bonds is estimated at \$3.05 million, or 6.66 percent of the refunded par. The Series 2024 Bond structure will mirror that of the Prior Bonds with the same final maturity of September 1, 2031.

Additionally, the CAO has determined that obtaining a bond insurance policy and/or a debt service reserve policy from a bond insurer with respect to the Series 2024 Bonds could be economically advantageous to the refunding transaction. The CAO, with guidance from the Municipal Advisor and Underwriter, expects to evaluate insurance bids from potential bond insurers and secure bond insurance and/or a reserve policy prior to pricing the Series 2024 Bonds.

The possible procurement of bond insurance and a reserve policy would require certain additional provisions in the Indenture. Additionally, other documents relating to the Series 2024 Bonds are expected to require certain changes to incorporate provisions relating to such municipal bond insurance policy and/or a debt service reserve insurance policy. A list of sample provisions that may be required to obtain a municipal bond insurance policy and/or a debt service reserve insurance policy for the Series 2024 Bonds is provided in Attachment F of this report.

3. FINANCING TEAM

The municipal advisor for the proposed Series 2024 Bonds is KNN Public Finance, LLC (KNN or Municipal Advisor). The Mayor and Council previously approved KNN to provide municipal advisory services for the City’s various bond programs (C.F. 23-0540). David Taussig and Associates, Inc. dba DTA, the special tax consultant for the Prior Bonds, will continue to serve in that role for the Series 2024 Bonds (C-144075).

Kutak Rock LLP serves as Bond Counsel and Stradling Yocca Carlson & Rauth, a Professional Law Corporation, serves as Disclosure Counsel. The legal counsel firms are on the City’s qualified list for legal services for the City’s various bond programs, previously approved by the Mayor and Council (C.F. 22-0248).

As part of the process for selecting the underwriter for the Series 2024 Bonds, the CAO disseminated a mini request for proposals on May 6, 2024 to several underwriters from the City’s approved qualified list (C.F. 22-0195). The CAO reviewed proposals submitted by five firms and recommends Stifel, Nicolaus & Company, Incorporated (Underwriter) to serve as underwriter on the transaction based on the firm’s experience and qualifications with Mello-Roos bond issuances in California.

4. CERTAIN FINANCING INFORMATION PURSUANT TO SECTION 5852.1 OF THE CALIFORNIA GOVERNMENT CODE

Section 5852.1 of the California Government Code requires that prior to the authorization of the issuance of bonds with a term greater than 13 months, the governing body of a public entity obtain and disclose specified information regarding the bonds in a meeting open to the public. The amounts below are good faith estimates prepared by the Municipal Advisor and subject to change at the time of issuance. The following information is required under Section 5852.1:

1. True interest cost of the bonds (TIC);
2. Finance charge of the bonds (COI);
3. Amount of proceeds received from the sale of the bonds less Costs of Issuance (Proceeds Amount); and
4. Total payment amount (Total Debt Service)

1) TIC	2) COI	3) Proceeds Amount	4) Total Debt Service
3.15%	\$ 471,500	\$ 36,119,500	\$ 40,881,900

5. AUTHORIZING RESOLUTION AND OTHER DOCUMENTS

To proceed with the sale of the Series 2024 Bonds, the Council, subject to the approval of the Mayor, will need to approve and adopt the Authorizing Resolution (Attachment A) that, among other things, incorporates and approves the bond documents below, which are all attached in substantially final form to this report. The list below provides a brief description of the bond documents.

- The Preliminary Official Statement (POS) (Attachment B) is the disclosure and marketing document for the Series 2024 Bonds and describes the proposed bond issuance and security for such bonds. The Continuing Disclosure Certificate, the form of which is attached as Appendix D to the POS, is the agreement by which the District will agree to provide continuing disclosure in the form of annual reports and event notices to bondholders.
- The Indenture (Attachment C) is an agreement between the District and U.S. Bank Trust Company, National Association, as trustee (Trustee) for the benefit of the bondholders. The Trustee administers the bond proceeds in a fiduciary capacity on behalf of the bondholders. The form of the bonds is included as an exhibit to the Indenture.
- The Escrow Agreement (Attachment D) is an agreement between the District and U.S. Bank Trust Company, National Association, as escrow agent and prior trustee (Escrow Agent), providing for the administration and refinancing of the Series 2014 Refunded Bonds, including the establishment of an escrow account and the acceptance of moneys for deposit and investment.
- The Bond Purchase Agreement (Attachment E) is an agreement between and among the District and the Underwriter establishing the terms for a negotiated sale of the Series 2024 Bonds.

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Attachments:

Attachment A – Authorizing Resolution

Attachment B – Preliminary Official Statement, including the Continuing Disclosure Certificate

Attachment C – Indenture

Attachment D – Escrow Agreement

Attachment E – Bond Purchase Agreement

Attachment F – Sample of Potential Insurance Provisions

Attachment A

Authorizing Resolution

RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1), APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$40,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1) SPECIAL TAX REFUNDING BONDS, SERIES 2024, APPROVING THE FORM AND AUTHORIZING THE DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT, AN INDENTURE, AN ESCROW AGREEMENT, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE RELATING TO THE SERIES 2024 BONDS, AUTHORIZING CERTAIN OTHER DOCUMENTS AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

WHEREAS, the Council (the “*Council*”) of the City of Los Angeles, a municipal corporation and charter city organized and existing under the Constitution and laws of the State of California (the “*City*”), has formed the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “*Community Facilities District*”) under the provisions of the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 *et seq.* of the California Government Code (the “*Act*”); and

WHEREAS, this Council is the legislative body and governing board of the Community Facilities District; and

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the “*Special Taxes*”) to pay for the costs of certain public facilities (the “*Facilities*”) and to issue bonds payable from Special Taxes levied within the Community Facilities District; and

WHEREAS, in order to provide funds to finance certain Facilities, the Community Facilities District issued \$135,000,000 aggregate principal amount of City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Bonds, Series 2003 (the “*2003 Bonds*”), pursuant to the Indenture, dated as of April 1, 2003, by and between the Community Facilities District and U.S. Bank National Association, as trustee; and

WHEREAS, on September 1, 2014, the 2003 Bonds were refunded in full from proceeds of the \$81,200,000 aggregate principal amount of City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2014 (the “*Prior Bonds*”), pursuant to the Indenture, dated as of August 1, 2014, by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as successor trustee; and

WHEREAS, the Community Facilities District has determined that it would be advantageous to refund the outstanding Prior Bonds; and

WHEREAS, in order to provide funds to refund the outstanding Prior Bonds, the Community Facilities District proposes to issue its City of Los Angeles Community Facilities District No. 4

(Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024 (the “**Series 2024 Bonds**”), in the aggregate principal amount of not to exceed \$40,000,000; and

WHEREAS, in order to provide for the authentication and delivery of the Series 2024 Bonds, to establish and declare the terms and conditions upon which the Series 2024 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District proposes to enter into an Indenture with U.S. Bank Trust Company, National Association, as trustee (such Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “**Indenture**”); and

WHEREAS, the moneys to defease and redeem the Prior Bonds will be applied to such purpose pursuant to an Escrow Agreement by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as prior trustee and as escrow bank (such Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “**Escrow Agreement**”); and

WHEREAS, the City has determined that securing the timely payment of the principal of and interest on the Series 2024 Bonds by obtaining a bond insurance policy and/or a debt service reserve insurance policy with respect thereto could be economically advantageous; and

WHEREAS, the City Administrative Officer finds and recommends, pursuant to Charter sections 371(e)(2) and (10), that due to current market conditions, the nature of the credit and the benefits of maintaining flexibility and control of the timing and manner of the sale of the Series 2024 Bonds under current market conditions, and upon the advice of its Municipal Advisor, the use of competitive bidding to sell the Series 2024 Bonds would be undesirable and impractical and that it is in the best financial interest of the Community Facilities District to propose to sell the Series 2024 Bonds through a negotiated sale; and

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), has presented the Community Facilities District with a proposal, in the form of a Bond Purchase Agreement, to purchase the Series 2024 Bonds from the Community Facilities District (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “**Purchase Agreement**”); and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“**Rule 15c2-12**”) requires that, in order to be able to purchase or sell the Series 2024 Bonds, the Underwriter thereof must have reasonably determined that the Community Facilities District has, or one or more appropriate obligated persons have, undertaken in a written agreement or contract for the benefit of the holders of the Series 2024 Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis; and

WHEREAS, in order to cause such requirement to be satisfied, the Community Facilities District desires to execute a Continuing Disclosure Certificate related to the Series 2024 Bonds (such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “**Continuing Disclosure Certificate**”); and

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2024 Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “*Preliminary Official Statement*”); and

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Indenture;
- (b) the Escrow Agreement;
- (c) the Purchase Agreement;
- (d) the Continuing Disclosure Certificate; and
- (e) the Preliminary Official Statement; and

WHEREAS, the Community Facilities District desires to proceed to issue and sell the Series 2024 Bonds and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Series 2024 Bonds; and

WHEREAS, in compliance with California Government Code Section 5852.1, the Community Facilities District has obtained from KNN Public Finance, LLC, its Municipal Advisor, the required good faith estimates relating to the Series 2024 Bonds, and such estimates are disclosed and set forth in Exhibit A attached hereto; and

WHEREAS, all acts, conditions and things required by the Constitution, laws of the State of California and the Charter of the City to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES, as follows:

Section 1. The recitals set forth above are true and correct, and this Council so finds and determines.

Section 2. The Community Facilities District hereby confirms and agrees that the Series 2024 Bonds will be issued and delivered in an original aggregate principal amount not to exceed \$40,000,000 on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture; provided that: (i) the Series 2024 Bonds shall be so issued only if the net present value savings achieved as a result of issuing the Series 2024 Bonds to refund the Prior Bonds is not less than 3.00%; and (ii) the final maturity of the Series 2024 Bonds shall not be later than

September 1, 2031. The Series 2024 Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to redemption from special tax prepayments, shall be issued in the form and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution. The Series 2024 Bonds shall be payable under the terms of the Indenture primarily from Net Special Tax Revenues (as such term is defined in the Indenture).

Section 3. The Indenture, the form of which is before this Council and on file in the Office of the City Administrative Officer, is hereby approved. Each of the City Administrative Officer, any Assistant City Administrative Officer or any of their designees (each, an “**Authorized Representative**”) is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Indenture, which shall be substantially in the form presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the Community Facilities District, in consultation with the City Attorney or any Assistant or Deputy City Attorney (each, the “**City Attorney**”), such determination and approval to be conclusively evidenced by such Authorized Representative’s execution of the Indenture; provided, however, that such changes, insertions and omissions shall not authorize an aggregate principal amount of Series 2024 Bonds in excess of \$40,000,000 and shall not result in a final maturity date of the Series 2024 Bonds later than September 1, 2031.

Section 4. The President of this Council is hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Series 2024 Bonds in the form attached to the Indenture, as the same shall be completed as provided in this Resolution, with such changes, insertions and omissions as the President of this Council may require or approve, in consultation with the City Attorney, such requirement or approval to be conclusively evidenced by the execution of the Series 2024 Bonds by the President of this Council. The City Clerk and any Deputy City Clerk is hereby authorized to countersign the Series 2024 Bonds.

Section 5. The refunding of the Prior Bonds is hereby approved. Such refunding shall be accomplished by paying the interest on the Prior Bonds to and including the redemption date thereof and redeeming the Prior Bonds on the redemption date thereof by paying the redemption price therefor. Such redemption date shall be determined by an Authorized Representative. In accordance with Section 53363.8 of the Act, this Council hereby designates the following costs and expenses as the “designated costs of issuing the refunding bonds:”

(a) all expenses incident to the calling, retiring or paying of the Prior Bonds and incident to the issuance of the Series 2024 Bonds, including the charges of any agent in connection with the issuance of the Series 2024 Bonds or in connection with the redemption or retirement of the Prior Bonds;

(b) the interest upon the Prior Bonds from the date of sale of the Series 2024 Bonds to the date upon which the Prior Bonds will be paid pursuant to call; and

(c) any premium necessary in the calling or retiring of the Prior Bonds.

Section 6. The Escrow Agreement, the form of which is before this Council and on file in the Office of the City Administrative Officer, is hereby approved. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Escrow Agreement, which shall be substantially in the form presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the Community Facilities District, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative's execution of the Escrow Agreement.

Section 7. The Purchase Agreement, the form of which is before this Council and on file in the Office of the City Administrative Officer, is hereby approved. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Purchase Agreement, which shall be substantially in the form presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the Community Facilities District, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative's execution of the Purchase Agreement; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount) from the principal amount of the Series 2024 Bonds in excess of 0.50% of the aggregate principal amount of the Series 2024 Bonds.

Pursuant to Charter sections 371(e)(2) and (10), this Council hereby adopts the findings and recommendations of the City Administrative Officer that, due to current market conditions, the nature of the credit and the benefits of maintaining flexibility and control of the timing and manner of the sale of the Series 2024 Bonds under current market conditions, and upon the advice of its Municipal Advisor, the use of competitive bidding to sell the Series 2024 Bonds would be undesirable and impractical, and that it is in the best financial interest of the Community Facilities District to sell the Series 2024 Bonds through a negotiated sale. This Council hereby approves the City Administrative Officer's recommendation. This Council hereby finds and determines that the sale of the Series 2024 Bonds through a negotiated sale as contemplated by the Purchase Agreement will result in a lower overall cost.

Section 8. The Continuing Disclosure Certificate, the form of which is before this Council and on file in the Office of the City Administrative Officer, is hereby approved. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Certificate, which shall be substantially in the form presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the Community Facilities District, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative's execution of the Continuing Disclosure Certificate.

Section 9. The Preliminary Official Statement relating to the Series 2024 Bonds, the form of which is before this Council and on file in the Office of the City Administrative Officer,

is hereby approved. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the Community Facilities District, to cause the distribution of the Preliminary Official Statement with such updates, changes and additions thereto (including any amendment or supplement thereto) as such Authorized Representative shall determine is necessary or desirable or otherwise approve, in consultation with the City Attorney, in connection with the offering and sale of the Series 2024 Bonds. Upon determination or approval of such updates, additions and changes by an Authorized Representative, the Preliminary Official Statement shall be deemed final as of its date by an Authorized Representative, as evidenced by a certificate to such effect, except for the omission of certain information as provided in and pursuant to Rule 15c2-12. Each Authorized Representative is hereby authorized and directed, for and in the name of and on behalf of the Community Facilities District, to so certify to the Underwriter that the Preliminary Official Statement has been “deemed final” for purposes of Rule 15c2-12.

Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the Community Facilities District, to cause the preparation of and execute the Official Statement, in substantially the form of the Preliminary Official Statement, with such updates, changes and additions thereto (including any amendment or supplement thereto) as such Authorized Representative shall determine is necessary or desirable or otherwise approve, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by execution and delivery thereof.

The use of the Preliminary Official Statement and the Official Statement (including by the Underwriter) in connection with the offering and sale of the Series 2024 Bonds is hereby authorized and approved.

Section 10. The assessed values of the property within the Community Facilities District are set forth in the Preliminary Official Statement and the value-to-lien information with respect thereto is set forth therein and, based thereon, this Council, for purposes of Section 53345.8 of the Act, hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Series 2024 Bonds will be at least three times the principal amount of the Series 2024 Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District.

Section 11. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, to select a bank or trust company to serve as the trustee under the Indenture, on such terms as such Authorized Representative shall determine as being in the best interest of the Community Facilities District. The selection of U.S. Bank Trust Company, National Association to act as the initial trustee under the Indenture is hereby approved.

Section 12. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the Community Facilities District, to apply for municipal bond insurance and/or a debt service reserve insurance policy for the Series 2024 Bonds and to obtain such insurance if the present value cost of such insurance is less than the present value of the estimated savings with respect to interest on the

Series 2024 Bonds resulting from the purchase of such insurance from the insurance provider whose insurance results in the highest present value savings. If such municipal bond insurance and/or debt service reserve insurance policy for the Series 2024 Bonds is determined to be obtained, each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the Community Facilities District, to make such changes to the Indenture and any of the other documents relating to the Series 2024 Bonds, and to execute and deliver a commitment for such municipal bond insurance and/or debt service reserve insurance policy as such Authorized Representative shall determine is necessary or desirable or otherwise approve, such determination and approval to be conclusively evidenced by such Authorized Representative's execution thereof.

Section 13. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name of the Community Facilities District: (i) to fix the actual principal amounts of the Series 2024 Bonds to be issued and the debt service schedules which reflect the principal of and interest on the Series 2024 Bonds, within the limits set forth in this Resolution; and (ii) to cause the documents approved by this Resolution and the Series 2024 Bonds to be executed and delivered within the limits set forth in this Resolution; all upon such terms as shall be satisfactory to such Authorized Representative

Section 14. The Authorized Representatives and the officers and employees of the City are, and each of them is, hereby authorized and directed for and in the name of the Community Facilities District to execute and deliver any and all documents or certificates, and to take or cause to be taken any and all actions necessary, appropriate or desirable to carry out the transactions contemplated by this Resolution, all upon such terms as shall be satisfactory to such Authorized Representative including, without limitation, entering into a tax certificate in connection with the issuance and sale of the Series 2024 Bonds. All actions heretofore taken or caused to be taken by any Authorized Representative or other officer or employee of the City with respect to the issuance and sale of the Series 2024 Bonds, the refunding of the Prior Bonds or in connection with or related to the agreements, documents or transactions contemplated by this Resolution, are hereby approved, confirmed and ratified.

Section 15. The execution and delivery of any and all documents in connection with the transactions approved in this Resolution with electronic signatures under the California Uniform Electronic Transactions Act and digital signatures under Section 16.5 of the Government Code is hereby approved.

Section 16. All of the agreements contemplated by this Resolution may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Facsimile signatures or signatures scanned into a portable document format (.pdf file) (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures, unless stated otherwise in the agreement.

Section 17. This Resolution shall take effect immediately upon its adoption.

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from KNN Public Finance, LLC, the Community Facilities District's Municipal Advisor and is provided in compliance with California Government Code Section 5852.1 with respect to the Series 2024 Bonds:

- (A) True Interest Cost of the Series 2024 Bonds: 3.15%
- (B) Finance Charge of the Series 2024 Bonds (Sum of all fees/charges paid to third parties): \$471,500
- (C) Net Proceeds of the Series 2024 Bonds to be Received (net of finance charges, reserves and capitalized interest, if any): \$36,119,500
- (D) Total Payment Amount through Maturity of the Series 2024 Bonds: \$40,881,900

The foregoing constitute good faith estimates only. The principal amount of the Series 2024 Bonds, the true interest cost of the Series 2024 Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of issuance of the Series 2024 Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of the Series 2024 Bonds being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Series 2024 Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the Series 2024 Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Community Facilities District's financing plan, or a combination of such factors.

The actual date of issuance of the Series 2024 Bonds and the actual principal amount of the Series 2024 Bonds will be determined by the Community Facilities District based on a variety of factors. The actual interest rates borne by the Series 2024 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2024 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Community Facilities District.

Attachment B

**Preliminary Official Statement, including
the Continuing Disclosure Certificate**

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2024

[DAC BOND LOGO]

NEW ISSUE - BOOK-ENTRY-ONLY

RATINGS: S&P: ____ (Insured Bonds)

S&P: ____ (Underlying/Uninsured Bonds)

See the caption "RATINGS"

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

[CITY LOGO]

\$34,690,000*

CITY OF LOS ANGELES

**COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

Dated: Date of Issuance**Due: September 1, as shown on the inside cover page**

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

The City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024 (the "Bonds") are being issued by the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the "District") to provide funds: (i) to refund the District's outstanding Special Tax Refunding Bonds, Series 2014 (the "2014 Bonds"); (ii) [to purchase a debt service reserve fund surety policy (the "Reserve Surety Policy") for the Bonds]; (iii) [to purchase a bond insurance policy (the "Insurance Policy") for the Bonds]; and (iv) to pay costs incurred in connection with the issuance of the Bonds. The 2014 Bonds were issued for the purpose of providing funds to refinance the costs of acquiring certain public facilities. 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), and pursuant to an Indenture, dated as of September 1, 2024, by and between the District and U.S. Bank Trust Company, National Association, as trustee. The Bonds are special limited obligations of the District and are payable solely from Net Special Tax Revenues (as such term is defined herein), and the other assets pledged therefor under the Indenture, all as further described herein. Special Taxes (as such term is defined herein) are to be levied according to the rate and method of apportionment approved by the City Council of the City of Los Angeles and the qualified electors within the District. The City Council is the legislative body of the District.

The Bonds are not subject to optional redemption. The Bonds are subject to mandatory redemption as described under the caption "THE BONDS—Redemption."

The scheduled payment of principal of and interest on the 2024 Bonds maturing on September 1 of the years 20__ through 20__, inclusive (the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued by _____ the ("Insurer") concurrently with the issuance of the Insured Bonds. See "BOND INSURANCE."

The Bonds are issuable 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. Individual purchases of Bonds may be made in principal amounts of \$5,000 and integral multiples thereof. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. 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, which are expected to remit such payments to the beneficial owners of the Bonds. See the captions "THE BONDS—General Provisions" and "THE BONDS—Book-Entry System."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE CITY OF LOS ANGELES OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND THE OTHER ASSETS PLEDGED UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

* Preliminary, subject to change.

The purchase of the Bonds involves certain risks. 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.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Kutak Rock LLP, Irvine, California, as Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the City and the District by Hydee Feldstein Soto, City Attorney, and by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, as Disclosure Counsel to the City and District, for the Underwriter by Sherman & Howard L.L.C., Denver, Colorado, and for the Trustee by its counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about September __, 2024.

[Stifel Logo]

Dated: September __, 2024

\$34,690,000*
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2024

MATURITY SCHEDULE

BASE CUSIP[†] _____

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†]</i>
2025					
2026					
2027					
2028					
2029					
2030					
2031					

* 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© 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. The City, the Municipal Advisor and the Underwriter do not assume any responsibility for the accuracy of such numbers.

CITY OF LOS ANGELES

MAYOR

Karen Bass

CITY COUNCIL

Eunisses Hernandez, *District 1*
Paul Krekorian, *District 2*
Bob Blumenfield, *District 3*
Nithya Raman, *District 4*
Katy Yaroslavsky, *District 5*

Imelda Padilla, *District 6*
Monica Rodriguez, *District 7*
Marqueece Harris-Dawson, *District 8*
Curren D. Price, Jr. *, *District 9*
Heather Hutt, *District 10*

Traci Park, *District 11*
John S. Lee, *District 12*
Hugo Soto-Martinez, *District 13*
Kevin de León, *District 14*
Tim McOsker, *District 15*

CITY OFFICIALS

Hydee Feldstein Soto, *City Attorney*
Kenneth Mejia, *City Controller*
Matthew W. Szabo, *City Administrative Officer*
Holly L. Wolcott, *City Clerk*
Diana Mangioglu, *City Treasurer*

PROFESSIONAL SERVICES

Bond Counsel

Kutak Rock LLP
Irvine, California

Trustee

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

Special Tax Consultant

David Taussig and Associates, Inc. dba DTA
Irvine, California

Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

Municipal Advisor

KNN Public Finance, LLC
Berkeley, California

Verification Agent

The Arbitrage Group, Inc.
Buhl, Alabama

* On June 13, 2023, the Los Angeles County District Attorney brought certain criminal charges against Councilmember Price.

All of the information which the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) and the City of Los Angeles intend to present investors regarding the District, the City and the Bonds is contained in this Official Statement. While the City maintains an Internet website for various purposes, none of the information on that website is intended to assist investors in making any investment decision, or to provide any continuing information, with respect to the Bonds or any other obligations of the City. Moreover, none of the information on the website is incorporated herein by reference. No dealer, broker, salesperson or other person has been authorized by the District, the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such other information or representations must not be relied upon as having been authorized by the District, the City 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 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 a representation of facts.

The information set forth herein has been obtained from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expression of opinions herein are subject to change without notice and neither 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 City or the District since the date hereof. All summaries of documents contained herein are made subject to the provisions of such documents and do not purport to be complete statements of any or all such provisions.

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 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.

***CAUTIONARY INFORMATION REGARDING
FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT***

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 “plan,” “expect,” “estimate,” “budget” and other similar words and include, but are not limited to, statements that describe possible future revenues and expenses of the City.

The achievement of certain results or other expectations contained in such forward-looking statements involves 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. While the District has agreed to provide certain ongoing financial and operating data described under the caption “CONTINUING DISCLOSURE” and in Appendix D, it does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which statements are based change.

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.

THE UNDERWRITER MAY OFFER AND SELL THE BONDS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES SET FORTH ON THE INSIDE FRONT COVER PAGE HEREOF, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

[MAPS]

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\$34,690,000*
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2024

INTRODUCTION

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, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the 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 C.

The purpose of this Official Statement, which includes the cover page, the table of contents and all appendices, is to provide certain information concerning the issuance by the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “District”) of Special Tax Refunding Bonds, Series 2024 in the aggregate principal amount of \$34,690,000* (the “Bonds”). The proceeds of the Bonds will be used to provide funds: (i) to refund the District’s outstanding Special Tax Refunding Bonds, Series 2014 (the “2014 Bonds”); (ii) [to purchase a debt service reserve fund surety policy (the “Reserve Surety Policy”) for the Bonds]; (iii) [to purchase a bond insurance policy (the “Insurance Policy”) for the Bonds]; and (iv) to pay costs incurred in connection with the issuance of the Bonds. See the captions “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Bonds are being 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 the 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, lien on and security interest in the Net Special Tax Revenues (as such term is defined herein) and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund established pursuant to the Indenture.

The District is required to levy the Special Taxes on the Taxable Property (as such term is defined in the hereinafter defined Rate and Method) within the District in accordance with the rate and method of apportionment of special taxes approved by the City Council of the City of Los Angeles (the “City”), acting as the legislative body of the District, and by the votes of the qualified landowner-electors in the District (the “Rate and Method”). A copy of the Rate and Method is attached to this Official Statement as Appendix A. The Special Tax will be collected in the same manner and at the same time as the *ad valorem* property taxes applicable to the Taxable Property. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Special Taxes.”

The District

The District comprises a portion of the Playa Vista master planned community. The development within the District consists of condominium and apartment units, single family residences and commercial, industrial and retail developments. The District also includes a fire station, a branch of the Los Angeles Public Library, a sports complex, a concert area, an elementary school, a clubhouse for area residents including a swimming pool and meeting rooms and several acres of parks.

* Preliminary, subject to change.

The District is located in the western portion of the City, immediately east of Lincoln Boulevard on both sides of Jefferson Boulevard approximately eleven miles west of downtown, four miles south of the City of Santa Monica, three miles north of Los Angeles International Airport, 1.5 miles from the Pacific Ocean and in close proximity to Marina del Rey Harbor. The District constitutes a portion of an approximately 460 acre master planned community known as Playa Vista and consists of approximately 169 gross acres, of which approximately 63 acres have been developed into uses that constitute Taxable Property for which Special Taxes have not been prepaid. The District is substantially developed and Taxable Property within the District includes 13 parcels of industrial/office/retail property totaling approximately 510,527 square feet (including an 80 unit assisted living facility) and 2,311 dwelling units (including both for-sale and rental units). There is no remaining Undeveloped Property within the District. Two apartment complexes consisting of 919 units and 16 single family residential units are located within the District but have prepaid their Special Taxes. See the caption, “THE COMMUNITY FACILITIES DISTRICT.”

Security and Sources of Payment for the Bonds

Under the Indenture, the City has pledged to repay the Bonds from Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. “Net Special Tax Revenues” consist of Special Tax Revenues less amounts required to pay Administrative Expenses. “Special Tax Revenues” consist of the proceeds of the Special Taxes received by or on behalf of the District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes (which will be limited to the amount of said lien and interest and penalties thereon).

Net Special Tax Revenues are the primary security for the repayment of the Bonds. In the event that Net Special Tax Revenues are not paid when due, the only sources of funds available to pay the debt service on the Bonds are the amounts held by the Trustee for such purpose in the Special Tax Fund, the Bond Fund and the Reserve Fund. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Property in the District is substantially developed and the District has not conducted an appraisal of any of the properties in the District since the original issuance of the District’s Special Tax Bonds, Series 2003. The District has engaged David Taussig and Associates, Inc. dba DTA (the “Special Tax Consultant”) to conduct a limited inquiry into the assessed value of the individual non-residential parcels in the District and the aggregate assessed value of the residential parcels in the District based on the County of Los Angeles (the “County”) Assessor Roll dated January 1, 2023 on which the County’s tax levy for Fiscal Year 2023-24 is based. Based on such values (without regard to pending appeals) and the expected Fiscal Year 2024-25 Special Tax Levy, in the aggregate, Taxable Property in the District has an assessed value-to-lien ratio of 37.92:1* based on its share of all direct and overlapping debt. See the captions “THE COMMUNITY FACILITIES DISTRICT—Estimated Assessed Value-to-Lien Ratios” and “SPECIAL RISK FACTORS.”

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE CITY OR THE STATE OF CALIFORNIA (THE “STATE”), OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND THE OTHER ASSETS PLEDGED UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

* Preliminary, subject to change.

Description of the Bonds

The Bonds will initially 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”). The Bonds will be available to actual purchasers thereof (the “Beneficial Owners”) in integral multiples of \$5,000 under the book-entry system maintained by DTC only through brokers and dealers who are or who act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds.

So long as the Bonds are held in book-entry form, principal of, premium, if any, and interest on the Bonds are 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. In the event that the book-entry system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Trustee, all as described herein. See the caption “THE BONDS—Book-Entry System.”

The Bonds are subject to redemption as described under the caption “THE BONDS—Redemption.” For more complete descriptions of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see the caption “THE BONDS” and Appendix C.

Tax Matters

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

Professionals Involved in the Offering

U.S. Bank Trust Company, National Association, Los Angeles, California, will act as Trustee under the Indenture, as the Escrow Bank under the Escrow Agreement and as the initial Dissemination Agent under the Continuing Disclosure Certificate. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) is the underwriter of the Bonds. All proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Kutak Rock LLP, Bond Counsel to the District. KNN Public Finance, LLC, Berkeley, California, is acting as Municipal Advisor to the District in connection with the Bonds and David Taussig and Associates, Inc. dba DTA is acting as Special Tax Consultant. Certain legal matters will be passed on for the City and the District by Hydee Feldstein Soto, City Attorney, and by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel to the City and District. Certain matters will be passed on for the Underwriter by Sherman & Howard L.L.C., Denver, Colorado, and for the Trustee by its counsel. See the caption “FINANCIAL INTERESTS.”

Bond Insurance

The scheduled payment of principal of and interest on the 2024 Bonds maturing on September 1 of the years 20__ through 20__, inclusive (the “Insured Bonds”), when due will be guaranteed under the Insurance

Policy to be issued concurrently with the delivery of the Insured Bonds by _____ (the “Insurer”). See “BOND INSURANCE” and APPENDIX F.

Reserve Fund

A Reserve Fund for the Bonds is established pursuant to the Indenture in an amount equal to the Reserve Requirement of \$ _____. The Insurer has made a commitment to issue, simultaneously with the initial execution and delivery of the Bonds, the Reserve Surety Policy in the amount of the Reserve Requirement for deposit in the Reserve Fund, effective as of the date of issuance of the Bonds.

Continuing Disclosure

The District has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system certain annual financial information and operating data and, in a timely manner, notice of certain listed events. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. See the caption “CONTINUING DISCLOSURE” and Appendix D for a description of the specific nature of the annual report and notices of listed events and a summary description of the terms of the continuing disclosure undertaking pursuant to which such reports are to be made.

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 considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds.

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 City Council, 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.

PLAN OF REFUNDING

The Bonds are being issued for the purpose of refunding the 2014 Bonds. Concurrently with the issuance of the Bonds, the District and U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Bank”), will enter into an Escrow Agreement, dated as of September 1, 2024, relating to the 2014 Bonds (the “Escrow Agreement”). A portion of the proceeds derived from the sale of the Bonds, together with moneys held in certain funds and accounts relating to the 2014 Bonds, will be deposited in an escrow fund (the “2014 Escrow Fund”) established for the 2014 Bonds pursuant to the Escrow Agreement. The aggregate amount of such deposits will be sufficient to redeem the 2014 Bonds on December ____, 2024 at a redemption price equal to 100% of the principal amount thereof plus the interest accrued thereon to such redemption date. The cash held in the 2014 Escrow Fund will be held uninvested or invested in non-callable direct obligations of the United States Treasury or other non-callable obligations, the payment of the principal of and interest on

which is guaranteed by a pledge of the full faith and credit of the United States of America (the “Securities”) and will be pledged solely for the redemption of the 2014 Bonds. An independent certified public accountant licensed to practice in the State, The Arbitrage Group, Inc., Buhl, Alabama (the “Verification Agent”), acting as verification agent with respect to the 2014 Escrow Fund, will certify in writing that moneys and Securities deposited in the 2014 Escrow Fund, together with earnings thereon, will be sufficient to pay the redemption price of and interest on the 2014 Bonds on December ____, 2024. Cash and securities deposited in the 2014 Escrow Fund will not be available for the payment of the Bonds, nor will any interest or other earnings thereon be available for such payment.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the expected sources and uses of Bond proceeds and certain other amounts.

Sources⁽¹⁾:

Principal Amount of Bonds
Plus Original Issue Premium
2014 Bonds Funds and Accounts⁽²⁾
Special Taxes

Total Sources:

Uses⁽¹⁾:

Deposit to 2014 Escrow Fund
Costs of Issuance⁽³⁾

Total Uses:

⁽¹⁾ Amounts rounded to the nearest dollar.

⁽²⁾ Includes moneys held in funds and accounts established in connection with the 2014 Bonds.

⁽³⁾ Includes fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Special Tax Consultant, the Trustee, the Verification Agent and rating agencies, [premiums for the Insurance Policy and the Reserve Surety Policy], Underwriter’s discount, printing costs and certain other miscellaneous costs.

BOND INSURANCE

The information under this caption has been prepared by the Insurer for inclusion in this Official Statement. Neither the District nor the Underwriter has reviewed this information, nor do such entities make any representation with respect to the accuracy or completeness thereof or any information incorporated by reference. Reference is made to Appendix F for a specimen of the Insurance Policy.

[TO COME]

THE BONDS

Authority for Issuance

The Act was adopted by the State Legislature to provide an alternate method of financing certain public capital facilities and services, especially in developing areas of the State. Once duly established by a local governmental agency, a community facilities district such as the District is itself a legally constituted governmental entity, with the governing board or legislative body of the local agency that established it constituting the legislative body of such community facilities district. Subject to approval by a two-thirds vote of a community facilities district’s qualified electors and compliance with the provisions of the Act, the

legislative body may authorize the issuance of bonds for the community facilities district in order to finance certain public improvements, and the legislative body may levy and collect a special tax within such community facilities district to repay such indebtedness.

The specific actions taken by the City Council to form the District, authorize the levy of the Special Tax on the Taxable Property within the District and authorize the issuance of the Bonds are described under the caption “THE COMMUNITY FACILITIES DISTRICT—Proceedings for Formation of District.”

General Provisions

The Bonds will be issued in fully registered form without coupons in denominations of \$5,000 and any integral multiple thereof (the “Authorized Denominations”). The Bonds will be dated the date of issuance thereof. The Bonds are scheduled to mature on September 1, in the years and in the principal amounts, and will bear interest at the rates per annum, shown on the inside front cover page of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months and will be payable on March 1 and September 1 of each year, commencing March 1, 2025 (each, an “Interest Payment Date”). Interest on each Bond will be payable from the Interest Payment Date next preceding the date of authentication thereof unless: (i) such Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day (the “Record Date”), in which event interest thereon will be payable from such Interest Payment Date; (ii) such Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date; or (iii) interest on such Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been previously paid or duly provided for.

The interest on, and principal of and redemption premiums, if any, on the Bonds are payable in lawful money of the United States of America. Interest is payable by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date (except that interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date will, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which will be given to such Owner not less than 10 days prior to such special record date). Payment of principal of any Bond will be made only upon presentation and surrender thereof at maturity or upon earlier redemption at the Office of the Trustee.

The Bonds will initially be issued in book-entry form, and DTC will act as securities depository. So long as the Bonds are held in book-entry form, principal of, premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC for distribution to the Beneficial Owners of the Bonds in accordance with procedures adopted by DTC. See the caption “—Book-Entry System” and Appendix E.

The Bonds are not general obligations of the District but are special limited obligations of the District payable solely from Net Special Tax Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the City, the District (except to the limited extent set forth in the Indenture), the State or any political subdivision thereof is pledged to the payment of the Bonds. See the caption “SPECIAL RISK FACTORS—Bonds Are Limited Obligations.”

Redemption*

No Optional Redemption. The Bonds are not subject to optional redemption.

Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to mandatory redemption, in whole, or in part in Authorized Denominations, on any Interest Payment Date prior to maturity from and to the extent of prepaid Special Taxes required to be applied thereto and any related proportional amounts in the Reserve Fund required to be applied thereto pursuant to the Indenture (see the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Reserve Fund”) at a Redemption Price of 103% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption.

There have been significant prepayments of Special Taxes that resulted in the partial mandatory redemption of 2014 Bonds and the District’s prior Special Tax Bonds, Series 2003 (the “2003 Bonds”), which were refunded by the 2014 Bonds, specifically, a \$35,000 redemption of 2003 Bonds in 2007, a \$21,080,000 redemption of 2003 Bonds in 2013, a \$1,055,000 redemption of 2014 Bonds in 2019, and a \$30,000 redemption of 2014 Bonds in 2022. See the caption “SPECIAL RISK FACTORS—Potential Early Redemption of Bonds from Prepayments or Assessment Bond Proceeds.”

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee will select the Bonds to be redeemed from all Bonds not previously called for redemption among maturities on a *pro rata* basis as nearly as practicable. For purposes of such selection, all Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

Notice of Redemption. If the Bonds are held in book-entry form, notice of redemption will be mailed to DTC and not to the Beneficial Owners of the Bonds under the DTC book-entry system. Neither the District nor the Trustee is responsible for giving notice of redemption to the Beneficial Owners. See the caption “—Book-Entry System.”

The Indenture provides that the Trustee on behalf and at the expense of the District will give notice of any redemption by first class mail to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice of redemption will state the date of the notice, the redemption date, the redemption place and the Redemption Price and designate the CUSIP numbers, if any, and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole). The notice of redemption will require that the Bonds to be redeemed be surrendered at the Office of the Trustee for redemption at the Redemption Price, and give notice that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, will affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, is held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof will have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

* *Preliminary, subject to change.*

Debt Service Schedule

<i>Year Ending September 1</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2025			
2026			
2027			
2028			
2029			
2030			
2031			
Total	\$	\$	\$

Source: Stifel, Nicolaus & Company, Incorporated

Book-Entry System

DTC will act as the initial securities depository for the Bonds, and the Bonds will be registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Bond certificate for each maturity will be issued for the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. So long as Cede & Co. is the registered owner of the Bonds, references herein to the Owners of the Bonds mean Cede & Co. and do not mean the Beneficial Owners.

The District does not give any assurance that DTC, its Participants or others will distribute payments with respect to the Bonds or notices concerning the Bonds to the Beneficial Owners thereof or that DTC will serve and act in the manner described in this Official Statement. See Appendix E for a description of DTC and its book-entry only system.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are special limited obligations of the District, and, except as otherwise provided in the Indenture, are payable solely from Net Special Tax Revenues.

“Net Special Tax Revenues” consist of Special Tax Revenues less amounts required to pay Administrative Expenses.

“Special Tax Revenues” consist of the proceeds of the Special Taxes received by or on behalf of the District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes (which will be limited to the amount of said lien and interest and penalties thereon).

“Special Taxes” consist of the special taxes levied within the District pursuant to the Act, the Ordinance Levying Special Taxes, the Rate and Method and the Indenture.

“Administrative Expenses” consist of costs directly related to the administration of the District, including the costs of computing the Special Taxes, preparing the annual Special Tax collection schedules, collecting the Special Taxes, and remitting the Special Taxes to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture, the costs incurred by the District in complying with the disclosure provisions of any continuing disclosure undertaking and the

Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of the District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the District to comply with the tax covenants in the Indenture, an allocable share of the salaries of the City staff providing services on behalf of the District directly related to the foregoing and a proportionate amount of City general administrative overhead related thereto, and the costs of foreclosure of delinquent Special Taxes.

The Special Taxes in the District can only be levied on the Taxable Property (as such term is defined in the Rate and Method), which consists of 13 parcels of industrial/office/retail property totaling approximately 510,527 square feet (including an 80 unit assisted living facility) and 2,311 dwelling units (including both for-sale and rental units). See the captions “THE COMMUNITY FACILITIES DISTRICT—General Description of the District,” “Estimated Assessed Value-to-Lien Ratios,” and “Special Tax Levy by Development Status.” There is no remaining Undeveloped Property within the District.

Under no circumstances may the amount of Special Taxes levied by the District in any year exceed the maximum rates approved by the qualified electors within the District, as set forth in the Rate and Method. A copy of the Rate and Method is set forth in Appendix A.

In addition to the Net Special Tax Revenues, any other amounts held by the Trustee in the Special Tax Fund, the Bond Fund and the Reserve Fund are pledged pursuant to the Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their respective terms, the Indenture and the Act. However, such amounts are pledged subject to the provisions of the Indenture permitting the application thereof for the purposes set forth in the Indenture. Amounts on deposit in the Costs of Issuance Fund, the Administrative Expense Fund and the Rebate Fund are not pledged to the payment of any of the Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE CITY OR THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND OTHER ASSETS PLEDGED UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

Capitalized terms used in this caption and not otherwise defined are defined in the Rate and Method. See Appendix A.

Authorization. In accordance with the provisions of the Act, the City Council established the District on December 8, 1999 for the purpose of financing the acquisition, construction and installation of various public improvements to serve the District. At a special election held on February 1, 2000, the resident electors of the District authorized the District to incur indebtedness secured by Special Taxes levied on property in the District in an amount not to exceed \$135,000,000, and approved the Rate and Method which authorized the Special Tax to be levied to repay District indebtedness, including the Bonds. See the captions “—No Additional Bonds” and “THE COMMUNITY FACILITIES DISTRICT—Proceedings for Formation of District.”

Covenant to Levy. The District has covenanted in the Indenture that by August 10 of each year (or such later date as may be authorized by the Act) it will levy Special Taxes within the District up to the maximum rates permitted under the Rate and Method in the amount required for the payment of principal of

and interest on any Outstanding Bonds becoming due and payable during the corresponding Bond Year, including any necessary replenishment or expenditure of the Reserve Fund and the amount estimated to be sufficient to pay the Administrative Expenses during such calendar year.

The District has also covenanted not to initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the security for the Bonds, and if an initiative is adopted that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, to the extent permitted by law, to commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds.

The Special Taxes levied in any Fiscal Year may not exceed the maximum rates authorized pursuant to the Rate and Method. See Appendix A. There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See the caption “SPECIAL RISK FACTORS—Levy of the Special Tax.”

The Special Taxes are expected to be payable and collected in the same manner and at the same time and in the same installment as *ad valorem* taxes on real property. See the caption “—Collection.” Although the applicable Special Tax constitutes a lien on each Assessor’s Parcel of Taxable Property within the District, it does not constitute the personal indebtedness of the owner of such Assessor’s Parcel. There is no assurance that the owner of such Assessor’s Parcel will be financially able to pay the applicable Special Tax or that such owner will do so, even if it is financially able to make such payment.

Rate and Method. The Rate and Method is to be applied by the District each year for the purpose of determining the amount of the Special Tax to be levied against each Assessor’s Parcel of Taxable Property within the District.

The Rate and Method defines the term “Taxable Property” as all of the Assessor’s Parcels within the boundaries of the District that are not exempt from the Special Tax pursuant to law or the Rate and Method. Pursuant to Section 54430 of the Act, properties of federal, state or local governments are exempt from the Special Tax except that, under Section 53317.3 of the Act, property that is not otherwise exempt and that is acquired by a public agency through a negotiated transaction or by gift or demise remains subject to the Special Tax. It is not clear under the Act whether property acquired by a public entity through a tax sale or foreclosure based upon the failure of a non-exempt person or entity to pay property taxes would remain subject to the Special Tax under Section 53317.3 of the Act or would become exempt from the Special Tax under Section 53340 of the Act. See the caption “SPECIAL RISK FACTORS—Exempt Properties.” Pursuant to Section 53317.5 of the Act, if property that is subject to the Special Tax is acquired by a public agency through eminent domain proceedings, the obligation to pay the Special Tax is to be treated as if it were a special annual assessment. For this purpose, the present value of the obligation to pay the Special Tax in order to pay principal of and interest on any Bonds Outstanding is to be treated the same as a fixed lien special annual assessment.

The application of the Rate and Method involves a number of separate steps that are to be performed by the District. These steps are summarized below.

Assignment of Assessor’s Parcels to Land Use Categories. All Taxable Property within the District as of each January 1 is to be classified in one of the following categories for purposes of determining the applicable Special Tax for the next Fiscal Year: Developed Property, Undeveloped Property, Taxable Property Owners Association Property, Taxable Community Serving Property, Taxable Environmental Facilities Property, Taxable Free Standing Parking Property and Taxable Public Property.

In general “Developed Property” means all Taxable Property for which one or more building permits for new construction have been issued prior to the January 1 preceding the Fiscal Year for which the Special Tax is being levied, exclusive of Information Center Property and Other Taxable Property. Each Assessor’s

Parcel of Developed Property is to be assigned to at least one of the Land Use Classes set forth in the Rate and Method.

Determination of Maximum Special Tax. Each Assessor's Parcel of Developed Property in a given Land Use Class will have an Assigned Special Tax. The various Assigned Special Taxes for the Land Use Classes that were applicable in Fiscal Year 1999-00 are set forth in the Rate and Method. For each subsequent Fiscal Year, the Assigned Special Tax is increased by 2% of the amount in effect for the previous Fiscal Year. A Backup Special Tax established pursuant to the Rate and Method was permanently reduced to \$0 in Fiscal Year 2006-07 upon substantial buildout of the District in accordance with the provisions of the Rate and Method. The Maximum Special Tax for each Assessor's Parcel classified as Developed Property is the greater of: (1) the amount derived by application of the Assigned Special Tax; or (2) the amount derived by the application of the Backup Special Tax.

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property and Other Taxable Property for Fiscal Year 2024-25 is \$257,360.22 per acre. For each subsequent Fiscal Year, the Maximum Special Tax for Undeveloped Property and Other Taxable Property is increased by 2% of the amount in effect in the previous Fiscal Year. No Undeveloped Property remains in the District and Special Taxes are expected to be levied only on Developed Property.

Method of Apportionment of the Special Tax. The Special Tax is to be levied each Fiscal Year in the manner described below until the amount of Special Taxes levied equals the Special Tax Requirement. The Special Tax Requirement for any Fiscal Year is the amount required, after taking into account amounts held in the funds and accounts under the Indenture which are intended to be used to pay debt service on Outstanding Bonds in the calendar year that begins such Fiscal Year, to pay, among other things, regularly scheduled debt service on all Outstanding Bonds due in said calendar year, any amounts required to replenish the Reserve Fund, Administrative Expenses and reasonably anticipated delinquent Special Taxes.

The Special Taxes are required first to be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax. If additional money is needed in order to cause the total amount levied to equal the Special Tax Requirement, the Special Taxes are next required to be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax applicable thereto. If additional money is still needed to satisfy the Special Tax Requirement, the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax will be increased in equal percentages from the Assigned Special Tax up to the applicable Maximum Special Tax. If the total amount levied is still less than Special Tax Requirement, then the Special Taxes are next required to be levied Proportionately on each Assessor's Parcel of Taxable Property Owners Association Property and Taxable Free Standing Parking Property at up to 100% of the Maximum Special Tax for Other Taxable Property. If the Special Tax Requirement still has not been satisfied, then the Special Taxes are required to be levied Proportionately on each Assessor's Parcel of Taxable Community Serving Property and Taxable Environmental Facilities Property at up to 100% of the Maximum Special Tax for Other Taxable Property. Finally, if additional money is still needed in order to cause the total amount levied to equal the Special Tax Requirement, then the Special Taxes are required to be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to 100% of the Maximum Special Tax for Other Taxable Property.

Exemptions. The Rate and Method exempts all property designated as Recreational Center Property from the Special Tax. In addition, the Rate and Method provides that, except as otherwise provided in Sections 53317.3, 53317.5 and 53340.1 of the Act, no Special Tax is permitted to be levied on up to a total of 61.29 acres of Public Property and 29.31 acres of Property Owners Association Property, Free Standing Parking Property, Community Serving Property and/or Environmental Facilities Property. Such exemptions are to be allocated on a first-in-time basis separately for Public Property and Property Owners Association Property, Free Standing Parking Property, Community Serving Property and/or Environmental Facilities Property. The Rate and Method provides that Property in the categories referred to above in excess of the

respective acreage amounts will be subject to the Special Tax. However, in the case of certain public property it may not be legally possible to levy the Special Tax. See the caption “SPECIAL RISK FACTORS—Exempt Properties.”

Prepayment of Special Taxes. The Special Tax obligation applicable to an Assessor’s Parcel of Developed Property or Update Property (Taxable Property for which a building permit for new construction has been issued but which is not yet classified as Developed Property) may be prepaid and permanently satisfied as described in the Rate and Method.

The Special Tax obligation applicable to an Assessor’s Parcel of Developed Property or Update Property may be partially prepaid as provided for in the Rate and Method. However, partial prepayments of the Special Tax applicable to residential Developed Property are generally permitted only within a Final Product Type Subdivision Unit.

See the captions “THE BONDS—Redemption—*Mandatory Redemption from Special Tax Prepayments*” and “SPECIAL RISK FACTORS—Potential Early Redemption of Bonds from Prepayments or Assessment Bond Proceeds” for a discussion of the possibility that the Special Tax applicable to certain parcels may be prepaid and some of the potential consequences thereof.

Limitations. In general, the Special Tax is required to be levied and collected until the Bonds have been retired. However, the Special Tax cannot be levied on Residential Property after Fiscal Year 2048-49. Moreover, notwithstanding the description of the manner in which the Special Tax is to be apportioned to the Assessor’s Parcels within the District set forth above, under no circumstances may the Special Tax levied on any Residential Property be increased by more than 10% of the Special Tax levied thereon in the prior Fiscal Year as a result of delinquencies or defaults of other property owners within the District.

Collection. Subject to the District’s covenant to pursue accelerated foreclosure proceedings under certain circumstances described under the caption “—Covenant for Superior Court Foreclosure,” unless otherwise provided by the City Council, the Special Taxes are to be collected in the same manner and at the same time as general property taxes are collected. They will be subject to the same penalties and interest and the same procedure, sale and lien priority in the case of delinquency as is provided for *ad valorem* property taxes. Notwithstanding the foregoing, the Special Tax obligation of certain Assessor’s Parcels may be prepaid as described under the caption “—Rate and Method—Prepayment of Special Taxes,” and the District may bill the Special Tax directly to the owners of property within the District and may collect special taxes at a different time or in a different manner if necessary to meet its financial obligations.

Covenant for Superior Court Foreclosure

Pursuant to Section 53356.1 of the Act, the District has covenanted in the Indenture that it will determine or cause to be determined, no later than August 15 of each year, whether or not any owners of property within the District are delinquent in the payment of Special Taxes and that, if such delinquencies exist, the District will deliver or cause to be delivered no later than October 1 a notice of delinquency (and a demand for immediate payment thereof) to such owners of property and, if a delinquency remains uncured, the Community Facilities District will order and cause to be commenced no later than 60 days after the delivery or such notice, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due; provided, however, that the District is not required under the Indenture to order the commencement of foreclosure proceedings if: (a) the total Special Tax delinquency in the District for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year; and (b) the amount then on deposit in the Reserve Fund is equal to the Reserve Requirement. Notwithstanding the foregoing, if the District determines that any single property owner in the District is delinquent in the payment of Special Taxes in an amount in excess of \$10,000, then the District will deliver or

cause to be delivered a notice of delinquency (and a demand for immediate payment thereof) to such property owner and, if a delinquency remains uncured for 60 days, diligently institute, prosecute and pursue foreclosure proceedings against such property owner.

Notwithstanding the foregoing, the Indenture provides that, in certain instances, the amount of a Special Tax delinquency on a particular parcel in relation to the cost of appropriate foreclosure proceedings may be such that the amount of the delinquency does not warrant the foreclosure proceedings' costs. In such cases, foreclosure proceedings may, in the District's discretion, be delayed by the District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the foreclosure proceedings' costs.

The mere commencement of foreclosure proceedings will not assure a prompt and favorable resolution of Special Tax delinquencies. The ability of the District to foreclose the lien of delinquent unpaid Special Taxes may be limited. See the captions "SPECIAL RISK FACTORS—Bankruptcy and Foreclosure" and "SPECIAL RISK FACTORS—FDIC/Federal Government Interests in Properties." Moreover, even if a judgment of foreclosure and order of sale is obtained, the District must cause a notice of levy to be issued. Under current law, the property owner has 120 days from the date of service of the notice of levy in which to redeem the subject property. If the property owner fails to redeem the property and it is sold, the property owner's only remedy is an action to set aside the sale, which action must be brought within 90 days of the date of sale. If such an action results in the setting aside of the foreclosure sale, the judgment is revived, and the District would be entitled to receive interest on the revived judgment as if the sale had not been made. Under former law a property owner had a period of one year within which to redeem property to be sold, and the constitutionality of the legislation that eliminated the one year redemption period has not been tested.

Although the Act authorizes the District to cause a foreclosure action to be commenced and diligently pursued to completion, the Act does not impose on the District or the City 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. However, the City does have the ability to use the foreclosure judgment to purchase property by credit bid at a foreclosure sale, in which case the City would have no obligation to pay such credit bid for 24 months. 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.

From time to time, the District has commenced foreclosure proceedings in the District, but subject property owners have paid the delinquent Special Taxes prior to completion of the foreclosures. Foreclosure actions are currently pending against two properties in the District: one parcel with delinquent Special Taxes for Fiscal Years 2018-19 through 2023-24 in the cumulative amount of \$18,174.41 and one parcel with delinquent Special Taxes for Fiscal Years 2019-20 through 2023-24 in the cumulative amount of \$11,315.31.

There can be no assurance that, even if the subject property is sold, the proceeds from such sale will be sufficient to pay the delinquent installments of the Special Tax. The Act does require that property being sold pursuant to foreclosure under the Act must be sold for not less than the judgment amount (which must include reasonable attorneys' fees, together with interest, penalties, and other authorized charges and costs) plus post-judgment interest and authorized costs, unless a lower bid price is authorized by the Owners of not less than 75% by value of the Bonds Outstanding.

Special Tax Fund

The Indenture provides that the Trustee will establish and maintain a separate fund designated the "Special Tax Fund." The Indenture requires that the District transfer Special Tax Revenues (other than prepaid Special Taxes) to the Trustee for deposit into the Special Tax Fund as soon as practicable after the District's receipt thereof, but in any event no later than ten Business Days prior to the next Interest Payment Date which falls after such receipt. On the Business Day immediately preceding each Interest Payment Date, after having

made any requested transfers to the Administrative Expense Fund, as requested by the District, to have sufficient amounts available therein to pay Administrative Expenses, the Trustee is required by the Indenture to make transfers from the Special Tax Fund to the Interest Account in the Bond Fund, the Principal Account in the Bond Fund and the Reserve Fund in the amounts and in the priority specified in the Indenture. See Appendix C.

As soon as practicable after the District's receipt of prepaid Special Taxes, but in any event no later than ten Business Days prior to the next Interest Payment Date which falls after such receipt, the District is required to transfer any prepaid Special Taxes to the Trustee and, in connection therewith, deliver to the Trustee a Written Certificate identifying such amounts as prepaid Special Taxes, identifying the portion of such prepaid Special Taxes so transferred that is to be applied to the Redemption Price of the Bonds and identifying the portion of such prepaid Special Taxes that is to be applied to the payment of interest on the Bonds to be so redeemed. The portion of such prepaid Special Taxes that is to be applied to the Redemption Price will be deposited by the Trustee in the Redemption Fund and will be applied to the redemption of the Bonds pursuant to the Indenture. The portion of such prepaid Special Taxes that is to be applied to the payment of interest on the Bonds to be so redeemed will be deposited by the Trustee in the Interest Account and will be applied to the payment of such interest.

Reserve Fund

The Indenture provides that the Trustee will establish and maintain a special fund designated the "Reserve Fund." On the Closing Date, the Trustee will deposit in the Reserve Fund the amount specified under the caption "ESTIMATED SOURCES AND USES OF FUNDS." The Trustee is also required, on the Business Day immediately preceding each Interest Payment Date, to transfer from the Special Tax Fund (after the requisite transfers to the Administrative Expense Fund, the Interest Account and the Principal Account) the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement. The "Reserve Requirement" means, as of the date of any calculation, the least of: (i) 10% of the original aggregate principal amount of the Bonds; (ii) Maximum Annual Debt Service; and (iii) 125% of Average Annual Debt Service. The Reserve Requirement as of the date of issuance of the Bonds equals \$ _____ [and will be satisfied by the delivery on the Closing Date of the Reserve Surety Policy by the Insurer.]

Except as otherwise provided in the Indenture, all amounts deposited in the Reserve Fund are to be used and withdrawn by the Trustee solely for the purposes of: (1) making transfers to the Interest Account in accordance with the Indenture in the event that, on the Business Day prior to an Interest Payment Date, amounts in the Interest Account are insufficient to pay the interest on the Bonds due and payable on such Interest Payment Date; (2) making transfers to the Principal Account in accordance with the Indenture in the event that, on the Business Day prior to a September 1 on which principal of the Bonds is due and payable (including principal due and payable by reason of mandatory sinking fund redemption of the Bonds), amounts in the Principal Account are insufficient to pay such principal; and (3) redeeming Bonds in accordance with the Indenture as described in the following paragraph.

Whenever Bonds are to be redeemed from Special Tax prepayments, a proportionate share (determined as provided below) of the amount on deposit in the Reserve Fund will, on the date on which amounts to redeem such Bonds are deposited in the Redemption Fund or otherwise deposited with the Trustee, be transferred by the Trustee from the Reserve Fund to the Redemption Fund or to such deposit held by the Trustee and will be applied to the redemption of said Bonds; provided that such amount will be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Bonds to be redeemed). Such proportionate share will be equal to the largest integral multiple of the minimum Authorized Denomination for said Bonds that is not larger than the amount equal to the product of: (I) the amount on deposit in the Reserve Fund on the date of such transfer; multiplied by (II) a fraction, the numerator of which is the principal amount of Bonds to

be so redeemed and the denominator of which is the principal amount of Bonds to be Outstanding on the day prior to the date on which such Bonds are to be so redeemed.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee will, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Interest Account, Principal Account and/or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Bonds. If, as a result of the scheduled payment of principal of or interest on the Bonds, the Reserve Requirement is reduced, the Trustee will transfer an amount equal to the amount of such reduction to the Interest Account.

Investment of Moneys

All moneys held by the Trustee in any of the funds or accounts established pursuant to the Indenture are required to be invested by the Trustee solely in Permitted Investments, as directed in writing by the District. As used in the Indenture, the phrase “Permitted Investments” includes a variety of investments, some of which may not be rated by a national rating service. See Appendix C.

No Additional Bonds

As discussed under the caption “THE COMMUNITY FACILITIES DISTRICT—Proceedings for Formation of District,” the District was originally authorized to issue bonds in the maximum aggregate principal amount of \$135,000,000. The Indenture provides that the District may not issue additional bonds or obligations payable from Net Special Tax Revenues on a basis senior to or on a parity with the Bonds. Nothing contained in the Indenture limits the issuance of any special tax bonds payable from Special Taxes if, after the issuance and delivery of such special tax bonds, none of the Bonds will be Outstanding. Further, the District may issue obligations payable from Net Special Tax Revenues on a basis subordinate to the Bonds without complying with the above requirements.

No Teeter Plan

The Board of Supervisors of the County has not approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 *et seq.* of the Revenue and Taxation Code of the State of California. Under the Teeter Plan, a county apportions secured property taxes and assessments on an accrual basis when due (irrespective of actual collections) to participating local political subdivisions for which such county acts as the levying or collecting agency. Because the County does not participate in the Teeter Plan, the collection of Special Taxes is subject to delinquency risk. As further described under the “SPECIAL RISK FACTORS—Bankruptcy and Foreclosure,” delinquencies in the payment of Special Taxes could have an adverse effect on the District’s ability to make timely debt service payments on the Bonds. Conversely, the District will benefit from Special Taxes generated by penalties and interest charged on delinquent Special Taxes.

See the caption “THE COMMUNITY FACILITIES DISTRICT—Delinquency History” for historical delinquency information with respect to the District.

Estimated Debt Service Coverage

Pursuant to the Act, under no circumstances will the Special Tax levied against any parcel of residential property within the District be increased as a consequence of delinquency or default by the owner of any other parcel 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. Notwithstanding the foregoing, the District estimates that it could levy Special Taxes in amounts sufficient (if fully collected) to generate Special Tax Revenues in excess of 110% of debt service on the Bonds in each future Fiscal Year in the event of delinquencies in the payment of Special Taxes within the District because of the District's ability to levy the Special Tax to the Maximum Special Tax against multifamily and commercial properties. See Table 1. Even if the Special Taxes were levied at the maximum rate in any year, actual collections will depend upon the willingness and ability of the owners of property to pay the Special Taxes when due. Numerous factors could affect the timely payment of Special Taxes. See the caption "SPECIAL RISK FACTORS."

Estimated debt service coverage for the Bonds from Special Tax Revenues is set forth in the below table. The table is based on the District's development status as of January 1, 2024 and assumes no further development within the District.

**TABLE 1
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
ESTIMATED BOND DEBT SERVICE COVERAGE**

<i>Bond Year Ending September 1</i>	<i>Single Family Residential Developed Property Special Tax Revenues⁽¹⁾⁽³⁾</i>	<i>Apartment Residential Developed Property Special Tax Revenues⁽²⁾⁽³⁾</i>	<i>Industrial/ Office/Retail Developed Property Special Tax Revenues⁽²⁾⁽³⁾</i>	<i>Annual Administrative Expenses⁽⁴⁾</i>	<i>Developed Property Net Special Tax Revenues</i>	<i>Series 2024 Refunding Bond Debt Service^{(5)*}</i>	<i>Debt Service Coverage from Developed Property^{(6)*}</i>
2025	\$ 5,670,271	\$ 545,754	\$ 801,681	\$51,254	\$ 6,966,451	\$6,766,652 ⁽⁷⁾	102.95% ⁽⁸⁾
2026	6,237,298	971,293	1,426,769	52,279	8,583,080	5,415,750	158.48
2027	6,861,028	990,718	1,455,304	53,325	9,253,725	5,522,000	167.58
2028	7,547,130	1,010,533	1,484,410	54,391	9,987,682	5,633,000	177.31
2029	8,301,843	1,030,743	1,514,098	55,479	10,791,206	5,747,750	187.75
2030	9,132,028	1,051,358	1,544,380	56,589	11,671,178	5,860,250	199.16
2031	10,045,230	1,072,385	1,575,268	57,721	12,635,163	5,979,750	211.30

* Preliminary, subject to change.

- (1) Special Tax Revenues for Fiscal Year 2024-25 are equal to 57.31% of the Assigned Special Tax (assumes a portion of the Fiscal Year 2023-24 projected surplus is applied to reduce expected Fiscal Year 2024-25 Special Tax levy). For Fiscal Year 2025-26 and each year thereafter, Special Tax Revenues escalated by 10.00%. The District is built out; no future development is expected.
- (2) Special Tax Revenues for Fiscal Year 2024-25 are equal to 57.31% of the Assigned Special Tax (assumes a portion of the Fiscal Year 2023-24 projected surplus is applied to reduce expected Fiscal Year 2024-25 Special Tax levy). For Fiscal Year 2025-26 and each year thereafter, Special Tax Revenues are based on 100.00% of the Assigned Special Tax, which escalates by 2.00% each year. The District is built out; no future development is expected.
- (3) 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 shall not be increased as a consequence of delinquency or default by the owner of any other Assessor's parcel within the District by more than ten percent (10.00%) 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 City may not be able to increase the levy to the Assigned Special Tax in all years for Residential Property. Please note, Apartment Property and Industrial/Office/Retail Property are not subject to this constraint.
- (4) Annual Administrative Expenses for Fiscal Year 2024-25 equal to actual Fiscal Year 2024-25 administrative expense levy plus the County enrollment fee. Annual Administrative Expenses for each year thereafter escalated at two percent per year.
- (5) Based on preliminary bond sizing dated May 30, 2024 provided by Stifel, Nicolaus & Company, Incorporated.
- (6) Calculated by dividing Developed Property Net Special Tax Revenues by Series 2024 Refunding Debt Service, expressed as a percentage.
- (7) Debt service shown is net of the amount to be applied from the Fiscal Year 2023-24 projected surplus.
- (8) Reflects the actual Fiscal Year 2024-25 Special Tax levy. The Fiscal Year 2024-25 Special Tax levy includes a delinquency contingency in the amount of \$196,415 and is included for purposes of calculating debt service coverage. The Fiscal Year 2024-25 Special Tax levy is equal to 57.31% of the Assigned Special Tax. If levied at 110% debt service coverage for Fiscal Year 2024-25, then Special Taxes would be levied at approximately 61.21% of the Assigned Special Tax.

Source: David Taussig and Associates, Inc. dba DTA

THE COMMUNITY FACILITIES DISTRICT

General Description of the District

The District comprises a portion of the Playa Vista master planned community. The development within the District consists of condominium and apartment units, single family residences and commercial, industrial and retail developments. The District also includes a fire station, a branch of the Los Angeles Public Library, a sports complex, a concert area, an elementary school, a clubhouse for area residents including a swimming pool and meeting rooms and several acres of parks.

The District is located in the western portion of the City, immediately east of Lincoln Boulevard on both sides of Jefferson Boulevard approximately eleven miles west of downtown, four miles south of the City of Santa Monica, three miles north of Los Angeles International Airport, 1.5 miles from the Pacific Ocean and in close proximity to Marina del Rey Harbor. The District constitutes a portion of an approximately 460 acre master planned community known as Playa Vista and consists of approximately 169 gross acres, of which approximately 63 acres have been developed into uses that constitute Taxable Property for which Special Taxes have not been prepaid. The District is substantially developed and Taxable Property within the District includes 13 parcels of industrial/office/retail property totaling approximately 510,527 square feet (including an 80 unit assisted living facility) and 2,311 dwelling units (including both for-sale and rental units). There is no remaining Undeveloped Property within the District. Two apartment complexes consisting of 919 units and 16 single family residential units are located within the District but have prepaid their Special Taxes.

Proceedings for Formation of District

In connection with the settlement of certain litigation challenging the development of Playa Vista, the City agreed that it would cooperate and use its “best faith efforts” in the formation of, and issuance of bonds by, community facilities districts in order to provide financing for portions of the public infrastructure that would be required in connection with such development. In furtherance of that agreement, the initial developer of Playa Vista filed with the City a petition requesting the formation of a single community facilities district for the portion of the Playa Vista project located east of Lincoln Boulevard and south of Ballona Creek (including the area located in the District). In response to that petition, the City undertook proceedings leading to the formation of Community Facilities District No. 2 (Playa Vista) of the City of Los Angeles (“CFD No. 2”).

Subsequent to the formation of CFD No.2, the City and the developer concluded that the infrastructure financing needs for the development of the portion of the Playa Vista project included within the boundaries of CFD No. 2 could be better met through the formation of three community facilities districts. Accordingly, the Developer filed petitions for the formation of three community facilities districts, one of which was the District, which was established on December 8, 1999. The proceedings for the formation of the District included an election on February 1, 2000 at which the developer of Playa Vista and its wholly-owned affiliate were the only eligible voters. Those proceedings were successfully completed and CFD No. 2 was dissolved by the City.

At the special election held on February 1, 2000, the electors of the District authorized the District to incur indebtedness secured by Special Taxes levied on property in the District in an amount not to exceed \$135,000,000, and approved the Rate and Method which authorized the Special Tax to be levied to repay District indebtedness, including the Bonds. On June 26, 2001, the City Council, acting as the legislative body of the District, adopted an ordinance providing for the levy of the Special Taxes on property in the District.

The two other community facilities districts formed from other portions of CFD No. 2 included the balance of the land that had been included in CFD No. 2 but was not included in the District. These other community facilities districts have been dissolved and no longer exist.

Historic Assessed Values

The table below sets forth historic assessed values within the District from Fiscal Years 2003-04 through 2023-24.

TABLE 2
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
ASSESSED VALUES⁽¹⁾⁽²⁾

<i>Fiscal Year</i>	<i>Residential Assessed Value⁽³⁾</i>	<i>Industrial/Office/Retail Assessed Value⁽³⁾</i>	<i>Total Assessed Value</i>	<i>Increase/(Decrease) in Residential Assessed Value</i>	<i>Increase/(Decrease) in Industrial/Office/Retail Assessed Value</i>	<i>Increase/(Decrease) in Total Assessed Value</i>
2003-04	\$154,547,637	\$16,985,661	\$171,533,298	NA	NA	NA
2004-05	360,935,823	54,153,143	415,088,966	133.54%	218.82%	141.99%
2005-06	692,059,897	57,652,382	749,712,279	91.74	6.46	80.61
2006-07	936,143,235	74,063,057	1,010,206,292	35.27	28.46	34.75
2007-08	1,247,050,314	90,592,517	1,337,642,831	33.21	22.32	32.41
2008-09	1,373,214,510	95,765,995	1,468,980,505	10.12	5.71	9.82
2009-10	1,398,325,838	97,681,309	1,496,007,147	1.83	2.00	1.84
2010-11	1,305,728,324	97,449,794	1,403,178,118	(6.62)	(0.24)	(6.21)
2011-12	1,298,724,390	98,183,579	1,396,907,969	(0.54)	0.75	(0.45)
2012-13	1,257,053,837	100,147,238	1,357,201,075	(3.21)	2.00	(2.84)
2013-14	1,356,589,342	107,943,781	1,464,533,123	7.92	7.79	7.91
2014-15	1,451,571,844	287,308,724	1,738,880,568	7.00	166.17	18.73
2015-16	1,530,150,923	118,638,626	1,648,789,549	5.41	(58.71)	(5.18)
2016-17	1,604,681,500	158,607,620	1,763,289,120	4.87	33.69	6.94
2017-18	1,674,233,308	161,779,765	1,836,013,073	4.33	2.00	4.12
2018-19	1,752,559,876	170,523,316	1,923,083,192	4.68	5.40	4.74
2019-20	1,905,404,147	196,651,035	2,102,055,182	8.72	15.32	9.31
2020-21	2,016,608,871	273,320,610	2,289,929,481	5.84	38.99	8.94
2021-22	2,066,188,603	276,152,201	2,342,340,804	2.46	1.04	2.29
2022-23	2,170,885,001	281,675,231	2,452,560,232	5.07	2.00	4.71
2023-24	2,257,280,997	287,308,724	2,544,589,721	3.98	2.00	3.75

(1) Assessed values as of January 1 of Fiscal Year shown provided by the County Assessor. Assessed value is calculated as the sum of land value and improvement value.

(2) Includes parcels for which Special Tax obligation has been prepaid.

(3) For purposes of the table, if a parcel has both residential and non-residential components, the parcel's entire assessed value is shown under the residential category.

Sources: David Taussig and Associates, Inc. dba DTA; County Assessor.

Direct and Overlapping Debt

The property within the District is subject to existing taxes and assessments which secure debt. Set forth below is the statement of direct and overlapping debt (the “Debt Report”) for the District based on the Fiscal Year 2023-24 levy and reflecting the issuance of \$34,690,000* aggregate principal amount of Bonds as well as the refunding of the 2014 Bonds. The Debt Report indicates that the estimated share of overlapping debt allocable to the District is \$58,133,410. The Debt Report has been derived from data assembled and reported to the District by David Taussig and Associates, Inc. dba DTA. None of the District, the City or the Underwriter has independently verified the information in the Debt Report and do not guarantee its completeness or accuracy.

The assessed value-to-lien ratio for the District as a whole, calculated by dividing the Fiscal Year 2023-24 assessed value by the total amount of direct and overlapping debt, is 37.92* to 1. See the caption “— Estimated Assessed Value-to-Lien Ratios.” The value-to-lien ratio of individual parcels will vary from these averages.

TABLE 3
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
DIRECT AND OVERLAPPING DEBT

<i>Overlapping District</i>	<i>Actual Levy</i> ⁽¹⁾	<i>Estimated Levy Applicable To District</i> ⁽¹⁾	<i>% of Levy Applicable To District</i>	<i>Total Outstanding Overlapping Debt</i> ⁽²⁾	<i>Estimated Outstanding Overlapping Debt Applicable To District</i>
Metropolitan Water District	\$ 196,001,141	\$ 77,015	0.0393%	\$ 18,210,000	\$ 7,155
City of Los Angeles General Obligation Bonds	82,471,630	251,906	0.3054	948,610,000	2,897,484
Los Angeles Unified School District	2,172,148,730	2,733,357	0.1258	10,723,385,000	13,493,935
Los Angeles Community College District	980,016,732	1,325,343	0.1352	5,209,260,000	<u>7,044,836</u>
					Estimated Share of Overlapping Debt Allocable to District Bonds ⁽³⁾ \$ 23,443,410
					<u>\$ 34,690,000*</u>
					Estimated Share of Direct and Overlapping Debt Allocable to District \$ 58,133,410*

* Preliminary, subject to change.

(1) Levy is based on the Fiscal Year 2023-24 ad valorem rates multiplied by the assessed value as of January 1, 2023 provided by the County.

(2) As of June 2, 2024.

(3) Based on preliminary bond sizing dated May 30, 2024 provided by Stifel, Nicolaus & Company, Incorporated.

Sources: David Taussig and Associates, Inc. dba DTA; Metropolitan Water District; City; County Auditor-Controller.

* Preliminary, subject to change.

Largest Taxpayers

The table below sets forth the largest taxpayers within the District for Fiscal Year 2024-25.

TABLE 4
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
FISCAL YEAR 2024-25 LARGEST TAXPAYERS

<i>Owner⁽¹⁾</i>	<i>Tax Class</i>	<i>Number of Parcels Taxed</i>	<i>Number of Residential Units Taxed</i>	<i>Expected Fiscal Year 2024-25 Special Tax Levy</i>	<i>Percent of Expected Fiscal Year 2024-25 Special Tax Levy</i>	<i>Fiscal Year 2023-24 Delinquent Special Tax as of 7/23/2024⁽²⁾</i>	<i>Fiscal Year 2023-24 Delinquency Rate as of 7/23/2024⁽²⁾</i>
Wedge Office LLC	Industrial/Office/Retail	5	0	\$ 675,191	9.62%	\$ 0	0.00%
Finvest Playa Vista LLC ⁽³⁾	Apartment	5	312	545,754	7.78	0	0.00
Finvest Playa 93 LLC ⁽⁴⁾	Single Family Residential	93	93	184,989	2.64	0	0.00
AL US Playa Vista Senior Housing LP	Industrial/Office/Retail	2	0	79,814	1.14	0	0.00
Starmax Developments LLC	Industrial/Office/Retail	5	0	36,343	0.52	0	0.00
Orion West Group LLC	Industrial/Office/Retail	1	0	10,333	0.15	0	0.07
Others ⁽⁵⁾	Single Family Residential	<u>1,906</u>	<u>1,906</u>	<u>\$5,485,282</u>	<u>78.16</u>	<u>75,421</u>	<u>1.07</u>
Total	NA	2,017	2,311	\$7,017,705	100.00%	\$ 75,421	1.07%

(1) Based on ownership as of January 1, 2023 provided by the County Assessor.

(2) Based on information as of July 5, 2024 provided by the County Auditor-Controller and updated based on data as of July 23, 2024 provided by the County Treasurer/Tax Collector.

(3) Includes 100 Affordable Housing Rental units.

(4) Consists of a 93-unit apartment complex. Such units have been subdivided and could be sold as individual condominiums in the future. As of Fiscal Year 2024-25, such parcels are being assessed as condominium units in accordance with the Rate and Method of Apportionment.

(5) Includes individual single family residential owners only. No owner is responsible for more than 0.22% of the expected Fiscal Year 2024-25 Special Tax levy.

Source: David Taussig and Associates, Inc. dba DTA

Estimated Assessed Value-to-Lien Ratios

The following table sets forth the number of parcels within various ranges of estimated assessed value-to-lien ratios for the District based on the Fiscal Year 2024-25 assessed valuation and the total outstanding principal amount of the Bonds and all other direct and overlapping debt. As summarized in the table below, the estimated assessed value-to-lien ratio for all parcels within the District is approximately 37.92* to 1, but the ratios over individual parcels vary widely. The value of the individual parcels is significant because, in the event of a delinquency in payment, the District's only remedy is to foreclose on the delinquent parcel. A parcel with a lower value-to-lien ratio may be less likely to sell at foreclosure or provide sale proceeds adequate to pay all delinquent Special Tax installments.

* Preliminary, subject to change.

**TABLE 5
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
ASSESSED VALUE-TO-LIEN RATIOS**

<i>Property Classification / Tax Class / Owner⁽¹⁾⁽²⁾</i>	<i>Number of Parcels⁽³⁾</i>	<i>Number of Residential Units⁽³⁾</i>	<i>Expected Fiscal Year 2024-25 Levy</i>	<i>District Bonds Outstanding⁽⁴⁾*</i>	<i>MWD Bonds Outstanding⁽⁵⁾</i>	<i>City of LA GO Bonds Outstanding⁽⁵⁾</i>	<i>Los Angeles Unified School District Bonds Outstanding⁽⁵⁾</i>	<i>Los Angeles Community College District Bonds Outstanding⁽⁵⁾</i>	<i>Total Direct and Overlapping Debt</i>	<i>Assessed Value⁽⁶⁾</i>	<i>Assessed Value-to-Lien Ratio⁷</i>
Apartment Property											
Finvest Playa Vista LLC ⁽⁷⁾	5	312	\$ 545,754	\$ 2,697,776	\$ 262	\$ 105,914	\$ 493,256	\$ 257,516	\$ 3,554,723	\$ 80,029,351	22.51
Industrial/Office/Retail Property											
AL US Playa Vista Senior Housing LP	2	0	\$ 79,814	\$ 394,536	\$ 114	\$ 45,977	\$ 214,122	\$ 111,788	\$ 766,536	\$ 34,916,511	45.55
Orion West Group LLC	1	0	10,333	51,076	10	3,896	18,146	9,474	82,601	2,959,019	35.82
Starmax Developments LLC	5	0	36,343	179,651	65	26,220	122,112	63,751	391,800	19,912,575	50.82
Wedge Office LLC	5	0	675,191	3,337,614	746	302,228	1,407,512	734,826	5,782,925	229,520,619	39.69
Subtotal Industrial/Office/Retail Property	13	0	\$ 801,681	\$ 3,962,877	\$ 934	\$ 378,322	\$ 1,761,892	\$ 919,838	\$ 7,023,863	\$ 287,308,724	40.90
Single Family Residential Property											
Finvest Playa 93 LLC ⁽⁸⁾	93	93	\$ 184,989	\$914,440	\$ 96	\$ 39,031	\$ 181,773	\$ 94,899	\$ 1,230,239	\$ 29,489,229	23.97
<u>Individual Owners</u>	<u>1,906</u>	<u>1,906</u>	<u>5,485,282</u>	<u>27,114,908</u>	<u>5,863</u>	<u>2,374,216</u>	<u>11,057,016</u>	<u>5,772,583</u>	<u>46,324,586</u>	<u>1,807,842,712</u>	<u>39.03</u>
Subtotal Single Family Residential Property	1,999	1,999	\$ 5,670,271	\$ 28,029,348	\$5,959	\$ 2,413,248	\$ 11,238,788	\$ 5,867,482	\$ 47,554,825	\$1,837,331,941	38.64
Total	2,017	2,311	\$ 7,017,705	\$34,690,000	\$7,155	\$ 2,897,484	\$ 13,493,935	\$ 7,044,836	\$ 58,133,410	\$2,204,670,016	37.92

* Preliminary, subject to change.

(1) Classification pursuant to the Rate and Method of Apportionment. See Appendix A.

(2) Based on ownership as of January 1, 2023 provided by the County Assessor.

(3) Excludes parcels for which Special Tax obligation has been prepaid.

(4) Allocated based on preliminary bond sizing dated May 30, 2024 provided by Stifel, Nicolaus & Company, Incorporated based on expected Fiscal Year 2024-25 tax levy.

(5) As of June 2, 2024. Allocated based on actual Fiscal Year 2023-24 levy.

(6) Based on assessed values as of January 1, 2023 provided by the County Assessor. Assessed Value is calculated as the sum of land value and improvement value. Excludes parcels which have prepaid their Special Tax obligation.

(7) Includes 100 affordable housing units.

(8) Consists of a 93-unit apartment complex. Such units have been subdivided and could be sole as individual condominiums in the future. As of Fiscal Year 2024-25, such parcels are being assessed as condominium units in accordance with the Rate and Method of Apportionment.

Source: David Taussig & Associates, Inc. dba DTA

The following table sets forth the number of developed parcels within various ranges of estimated assessed value-to-lien ratios for the District based on the Fiscal Year 2024-25 assessed valuation and the total outstanding principal amount of the Bonds and all other direct and overlapping debt. As summarized in the table below, the estimated assessed value-to-lien ratio for all developed parcels within the District is approximately 37.92* to 1, but the ratios over individual parcels vary widely. The table allocates the share of the Outstanding Bonds based on the expected Fiscal Year 2024-25 Special Tax levy. In Fiscal Year 2024-25, Developed Property is expected to be levied at approximately 57.31% of the Assigned Special Tax. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Rate and Method.” The value of the individual parcels is significant because, in the event of a delinquency in payment, the District’s only remedy is to foreclose on the delinquent parcel. A parcel with a lower value-to-lien ratio may be less likely to sell at foreclosure or provide sale proceeds adequate to pay all delinquent Special Tax installments.

TABLE 6
CITY OF LOS ANGELES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
ASSESSED VALUE-TO-LIEN RATIOS BY RANGES

<i>Value-to-Lien Range</i>	<i>Number of Developed Parcels⁽¹⁾</i>	<i>Number of Developed Residential Units⁽¹⁾</i>	<i>Expected District Fiscal Year 2024-25 Levy</i>	<i>District Bonds Outstanding^{(2)*}</i>	<i>MWD Bonds Outstanding⁽³⁾</i>	<i>City of LA GO Bonds Outstanding⁽³⁾</i>	<i>Los Angeles Unified School District Bonds Outstanding⁽³⁾</i>	<i>Los Angeles Community College District Bonds Outstanding⁽³⁾</i>	<i>Total Direct and Overlapping Debt</i>	<i>Assessed Value⁽⁴⁾</i>	<i>Assessed Value-to-Lien Ratio*</i>
0.00-4.99	0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	NA
5.00-9.99	5	5	14,942	73,860	2	821	3,822	1,995	80,501	658,267	8.18
10.00-19.99	15	133	304,690	1,506,149	109	44,199	205,842	107,465	1,863,764	33,636,291	18.05
20.00 or more	<u>1,997</u>	<u>2,173</u>	<u>6,698,073</u>	<u>33,109,991</u>	<u>7,044</u>	<u>2,852,464</u>	<u>13,284,271</u>	<u>6,935,376</u>	<u>56,189,146</u>	<u>2,170,375,458</u>	<u>38.63</u>
Total	2,017	2,311	\$ 7,017,705	\$34,690,000	\$ 7,155	\$2,897,484	\$ 13,493,935	\$ 7,044,836	\$58,133,410	\$2,204,670,016	37.92

* Preliminary, subject to change.

⁽¹⁾ Excludes parcels for which Special Tax obligation has been prepaid.

⁽²⁾ Based on preliminary bond sizing dated May 30, 2024 provided by Stifel, Nicolaus & Company, Incorporated. Allocated based on expected Fiscal Year 2024-25 Special Tax Levy.

⁽³⁾ As of June 2, 2024. Allocated based on actual Fiscal Year 2023-24 levy.

⁽⁴⁾ Based on assessed values as of January 1, 2023 provided by the County Assessor. Assessed Value is calculated as the sum of land value and improvement value. Excludes parcels which have prepaid their Special Tax obligation.

Source: David Taussig & Associates, Inc. dba DTA

Delinquency History

The table below summarizes historical delinquencies within the District for Fiscal Years 2007-08 through 2023-24.

TABLE 7
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
SPECIAL TAX DELINQUENCY HISTORY

<i>Fiscal Year</i>	<i>Total Tax Levy</i>	<i>Number of Delinquent Parcels at Fiscal Year End⁽¹⁾</i>	<i>Delinquent Special Tax at Fiscal Year End⁽¹⁾</i>	<i>Delinquency Rate at Fiscal Year End⁽¹⁾</i>	<i>Number of Delinquent Parcels as of 7/23/2024⁽²⁾</i>	<i>Delinquent Special Tax as of 7/23/2024⁽²⁾</i>	<i>Delinquency Rate as of 7/23/2024⁽²⁾</i>
2007-08	\$9,723,006	147	\$384,730	3.96%	0	\$0	0.00%
2008-09	8,284,043	152	370,479	4.47	0	0	0.00
2009-10	8,382,583	125	283,387	3.38	0	0	0.00
2010-11	8,413,164	95	175,378	2.08	0	0	0.00
2011-12	8,577,476	82	170,969	1.99	0	0	0.00
2012-13	8,763,701	64	127,377	1.45	0	0	0.00
2013-14	7,332,156	68	113,089	1.54	0	0	0.00
2014-15	6,372,729	46	78,237	1.23	0	0	0.00
2015-16	6,468,337	76	144,526	2.23	0	0	0.00
2016-17	6,565,374	79	134,711	2.05	0	0	0.00
2017-18	6,663,846	28	50,024	0.75	0	0	0.00
2018-19	6,797,133	26	66,724	0.98	1	3,062 ⁽³⁾	0.05
2019-20	7,086,467	59	74,593	1.05	2	5,452 ⁽⁴⁾	0.08
2020-21	7,224,149	35	61,215	0.85	3	5,558 ⁽⁴⁾	0.08
2021-22	7,335,525	42	77,080	1.05	5	9,282 ⁽⁴⁾	0.13
2022-23	7,321,397	89	161,184	2.20	5	12,675 ⁽⁴⁾	0.17
2023-24	7,017,705	44	79,993	1.14	41	75,421 ⁽⁴⁾	1.07

⁽¹⁾ As of approximately June 30 of year levied.

⁽²⁾ Based data as of July 5, 2024 provided by the County Auditor-Controller and updated based on data as of July 23, 2024 provided by the County of Los Angeles Treasurer/Tax Collector.

⁽³⁾ Includes delinquent amount for one parcel currently under foreclosure.

⁽⁴⁾ Includes delinquent amounts for two parcels currently under foreclosure.

Source: David Taussig & Associates, Inc. dba DTA

Special Tax Levy by Development Status

The table below illustrates that 100% of the Fiscal Year 2024-25 Special Tax levy will be on Developed Property.

TABLE 8
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
FISCAL YEAR 2024-25 DEVELOPMENT SUMMARY

<i>Property Classification⁽¹⁾</i>			<i>Number of Taxable Units/ Square Footage/ Acres⁽²⁾</i>	<i>Fiscal Year 2024- 25 Assigned Special Tax</i>	<i>Fiscal Year 2024- 25 Special Tax Rates</i>	<i>Fiscal Year 2024-25 Special Tax Levy</i>	<i>Percent of Fiscal Year 2024- 25 Special Tax Levy</i>
Developed Property							
Single Family Residential Property	>3,800 SF	8	Units	\$15,231.42	\$8,729.46	\$ 69,835.68	1.00%
Single Family Residential Property	>3,500 - 3,800 SF	19	Units	14,627.65	8,383.43	159,285.17	2.27
Single Family Residential Property	>3,000 - 3,500 SF	46	Units	13,093.71	7,504.30	345,197.80	4.92
Single Family Residential Property	>2,800 - 3,000 SF	18	Units	12,704.87	7,281.44	131,065.92	1.87
Single Family Residential Property	>2,550 - 2,800 SF	68	Units	8,572.19	4,912.91	334,077.88	4.76
Single Family Residential Property	>2,300 - 2,550 SF	77	Units	7,715.78	4,422.09	340,500.93	4.85
Single Family Residential Property	>2,150 - 2,300 SF	62	Units	6,856.09	3,929.38	243,621.56	3.47
Single Family Residential Property	>1,850 - 2,150 SF	162	Units	6,470.55	3,708.42	600,764.04	8.56
Single Family Residential Property	>1,650 - 1,850 SF	296	Units	5,144.94	2,948.68	872,809.28	12.44
Single Family Residential Property	>1,450 - 1,650 SF	172	Units	4,652.74	2,666.59	458,653.48	6.54
Single Family Residential Property	>1,200 - 1,450 SF	436	Units	4,281.97	2,454.09	1,069,983.24	15.25
Single Family Residential Property	>1,000 - 1,200 SF	227	Units	3,217.24	1,843.87	418,558.49	5.96
Single Family Residential Property	>825 - 1,000 SF	259	Units	2,803.81	1,606.92	416,192.28	5.93
Single Family Residential Property	>725 - 825 SF	83	Units	2,582.30	1,479.98	122,838.34	1.75
Single Family Residential Property	≤725 SF	60	Units	2,365.76	1,355.87	81,352.20	1.16
Apartment (Other than Affordable)		212	Units	4,104.80	2,352.55	498,740.60	7.11
Affordable Housing, For Sale		6	Units	1,609.44	922.40	5,534.40	0.08
Affordable Housing, Rental		100	Units	820.30	470.13	47,013.00	0.67
Industrial/Office/Retail Square Feet		510,527	SF	2,7399	1.5703	801,680.55	11.42
Hotel Room		0	Units ⁽³⁾	725.15	0.00	0.00	0.00
Undeveloped Property		<u>0</u>	<u>Acres</u>	<u>257,360.22</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total		2,311	Units	NA		\$ 7,017,705	100.00%

(1) Classification to developed and undeveloped categories pursuant to the Rate and Method. See Appendix A.

(2) Based on development as of January 1, 2024.

(3) For Fiscal Year 2024-25, there are no units in these tax classes.

Source: David Taussig & Associates, Inc. dba DTA

Estimated Average Effective Tax Rate

The tables below illustrate the estimated average effective tax rate for certain sample tax classes within the District for Fiscal Year 2024-25. Such tax rates and amounts have been estimated by the Special Tax Consultant and are based on currently available information. The actual amounts charged may vary and could increase or decrease in future years.

TABLE 9
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
ESTIMATED FISCAL YEAR 2024-25 SAMPLE TAX BILL
RESIDENTIAL PROPERTY (TAX CLASS 3)

<i>Assessed Value and Property Taxes</i>	<i>% of Net Assessed Value</i>	<i>Expected Amount</i>	<i>Maximum Amount</i>
GROSS ASSESSED VALUE ⁽¹⁾	\$2,010,043		
NET ASSESSED VALUE ⁽¹⁾	\$2,003,043		
Unit Size for Residential Property ⁽²⁾	3,312 Square Feet		
Lot Size for Residential Property ⁽³⁾	2,942 Square Feet		
<i>AD VALOREM PROPERTY TAXES</i> ⁽⁴⁾			
Basic Levy	1.00000%	\$ 20,030.43	
Metropolitan Water District	0.00350	70.11	
City of Los Angeles G.O. Bonds	0.01145	229.31	
Unified Schools	0.12422	2,488.16	
Community College	<u>0.06023</u>	<u>1,206.45</u>	
Total General Property Taxes and Overrides	1.19940%	\$ 24,024.46	
<i>ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES</i>			
County of Los Angeles Trauma & Emergency Services ⁽⁵⁾		\$ 165.60	
County of Los Angeles Flood Control District ⁽⁶⁾		12.77	
Los Angeles County Regional Park & Open Space District ⁽⁷⁾		59.95	
Los Angeles County West Vector & Vector-Borne Control District ⁽⁸⁾		13.95	
City of Los Angeles Landscaping and Lighting District No. 96-1 ⁽⁹⁾		17.05	
City of Los Angeles Street Lighting Maintenance District/Benefit Frontage District ⁽¹⁰⁾		41.65	
City of Los Angeles Stormwater ⁽¹¹⁾		10.18	
West Basin Municipal Water District ⁽¹²⁾		9.60	
Los Angeles County Flood Control District Safe Clean Water Program ⁽¹³⁾		66.47	
District⁽¹⁴⁾		<u>7,504.30</u>	<u>\$12,836.97</u>
Total Assessments and Parcel Charges		\$ 7,901.52	\$13,234.19
PROJECTED TOTAL PROPERTY TAXES		<u>\$ 31,925.98</u>	<u>\$37,258.65</u>
Projected Total Effective Tax Rate (as % of Gross Assessed Value)		1.58832%	1.85362%

- (1) Net Assessed Value based on average net assessed value for 46 Tax Class 3 (3,000-3,500 square foot) residential units owned by individuals as of January 1, 2023 provided by the County Assessor. Gross Assessed Value is based on Net Assessed Value plus \$7,000 homeowner's exemption and is used to determine the Total Effective Tax Rate.
- (2) Estimated based on the average unit size for 46 Tax Class 3 residential units owned by individuals as of January 1, 2023.
- (3) Estimated based on the average lot size for 46 Tax Class 3 residential units owned by individuals as of January 1, 2023.
- (4) Estimated based on actual Fiscal Year 2023-24 *ad valorem* rates.
- (5) Estimated based on the Fiscal Year 2023-24 rate of \$0.05 per building square foot.
- (6) Estimated based on the Fiscal Year 2023-24 single-family residential rate of \$28.85 per acre of parcel, times 0.4176, divided by 0.0637.
- (7) Estimated based on the Fiscal Year 2023-24 rate of 0.0181 per building square foot.
- (8) Estimated based on the Fiscal Year 2023-24 rate of \$13.95 per parcel.
- (9) Estimated based on the highest actual Fiscal Year 2023-24 charge for 46 Tax Class 3 residential units. Charge ranges from \$13.73 to \$17.05.
- (10) Estimated based on the highest actual Fiscal Year 2023-24 charge for 46 Tax Class 3 residential units. Some Tax Class 3 units pay the City of Los Angeles Street Lighting Maintenance District charge, which ranges from \$41.64 to \$41.65, and some receive no charge. No units pay the City of Los Angeles Benefit Frontage District charge.
- (11) Estimated based on the Fiscal Year 2023-24 single-family residential rate of \$23.00 per acre of parcel, multiplied by 0.4176, divided by 0.0637.
- (12) Estimated based on the Fiscal Year 2023-24 single-family residential rate of \$9.60 per parcel for parcels less than 1 acre.
- (13) Estimated based on the highest actual Fiscal Year 2023-24 charge for 46 Tax Class 3 residential units. Based on the rate of \$0.025 multiplied by impermeable area in square feet and charge ranges from \$19.10 to \$66.47.
- (14) Expected amount based on the District's Fiscal Year 2024-25 Special Tax levy of \$7,504.30 per unit for Tax Class 3 property. Maximum amount based on the Fiscal Year 2024-25 maximum Special Tax rate of \$12,836.97 per unit for Tax Class 3 property. The maximum Special Tax rate escalates at 2% per year.

Sources: David Taussig and Associates, Inc. dba DTA; City of Los Angeles Bureau of Street Lighting; County Assessor's Office; County Department of Health Services; County Department of Parks and Recreation; Willdan Financial.

TABLE 10
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
ESTIMATED FISCAL YEAR 2024-25 SAMPLE TAX BILL
RESIDENTIAL PROPERTY (TAX CLASS 6)

<i>Assessed Value and Property Taxes</i>		<i>% of Net Assessed Value</i>	<i>Expected Amount</i>	<i>Maximum Amount</i>
GROSS ASSESSED VALUE ⁽¹⁾	\$1,320,715			
NET ASSESSED VALUE ⁽¹⁾	\$1,313,715			
Unit Size for Residential Property ⁽²⁾	2,416 Square Feet			
Lot Size for Residential Property ⁽³⁾	1,890 Square Feet			
<i>AD VALOREM PROPERTY TAXES</i> ⁽⁴⁾				
Basic Levy		1.00000%	\$ 13,137.15	
Metropolitan Water District		0.00350	45.98	
City of Los Angeles G.O. Bonds		0.01145	150.39	
Unified Schools		0.12422	1,631.88	
Community College		<u>0.06023</u>	<u>791.26</u>	
Total General Property Taxes and Overrides		1.19940%	\$ 15,756.67	
<i>ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES</i>				
County of Los Angeles Trauma & Emergency Services ⁽⁵⁾			\$ 120.80	
County of Los Angeles Flood Control District ⁽⁶⁾			8.21	
Los Angeles County Regional Park & Open Space District ⁽⁷⁾			43.49	
Los Angeles County West Vector & Vector-Borne Control District ⁽⁸⁾			13.95	
City of Los Angeles Landscaping and Lighting Assessment District No. 96-1 ⁽⁹⁾			16.20	
City of Los Angeles Street Lighting Maintenance District/Benefit Frontage District ⁽¹⁰⁾			72.31	
City of Los Angeles Stormwater ⁽¹¹⁾			6.54	
West Basin Municipal Water District ⁽¹²⁾			9.60	
Los Angeles County Flood Control District Safe Clean Water Program ⁽¹³⁾			49.58	
District⁽¹⁴⁾			<u>4,422.09</u>	<u>\$ 7,564.49</u>
Total Assessments and Parcel Charges			\$ 4,762.77	\$ 7,905.17
PROJECTED TOTAL PROPERTY TAXES			<u>\$ 20,519.44</u>	<u>\$23,661.84</u>
Projected Total Effective Tax Rate (as % of Gross Assessed Value)			<u>1.55366%</u>	<u>1.79159%</u>

- (1) Net Assessed Value based on average net assessed value for 77 Tax Class 6 (2,300-2,550 square foot) residential units owned by individuals as of January 1, 2023 provided by the County Assessor. Gross Assessed Value is based on Net Assessed Value plus \$7,000 homeowner's exemption and is used to determine the Total Effective Tax Rate.
- (2) Estimated based on the average unit size for 77 Tax Class 6 residential units owned by individuals as of January 1, 2023.
- (3) Estimated based on the average lot size for 77 Tax Class 6 residential units owned by individuals as of January 1, 2023.
- (4) Estimated based on actual Fiscal Year 2023-24 ad valorem rates.
- (5) Estimated based on the Fiscal Year 2023-24 rate of \$0.05 per building square foot.
- (6) Estimated based on the Fiscal Year 2023-24 single-family residential rate of \$28.85 per acre of parcel, multiplied by 0.4176, divided by 0.0637.
- (7) Estimated based on the Fiscal Year 2023-24 rate of 0.0181 per building square foot.
- (8) Estimated based on the Fiscal Year 2023-24 rate of \$13.95 per parcel.
- (9) Estimated based on the highest actual Fiscal Year 2023-24 charge for 77 Tax Class 6 residential units. Charge ranges from \$13.78 to \$16.20.
- (10) Estimated based on the highest actual Fiscal Year 2023-24 charge for 77 Tax Class 6 residential units. Tax Class 6 units pay the City of Los Angeles Street Lighting Maintenance District charge, which ranges from \$13.19 to \$72.31, or the City of Los Angeles Benefit Frontage District charge, which ranges from \$7.83 to \$15.78, or neither charge. For purposes of this analysis, DTA has shown only the higher of the two charges.
- (11) Estimated based on the Fiscal Year 2023-24 single-family residential rate of \$23.00 per acre of parcel, multiplied by 0.4176, divided by 0.0637.
- (12) Estimated on the Fiscal Year 2023-24 single-family residential rate of \$9.60 per parcel for parcels less than 1 acre.
- (13) Estimated based on the highest actual Fiscal Year 2023-24 charge for 77 Tax Class 6 residential units. Based on the rate of \$0.025 multiplied by impermeable area in square feet and charge ranges from \$19.79 to \$49.58.
- (14) Expected amount based on the District's Fiscal Year 2024-25 Special Tax levy of \$4,422.09 per unit for Tax Class 6 property. Maximum amount based on the Fiscal Year 2024-25 maximum Special Tax rate of \$7,564.49 per unit for Tax Class 6 property. The maximum Special Tax rate escalates at 2% per year.

Sources: David Taussig and Associates, Inc. dba DTA; City of Los Angeles Bureau of Street Lighting; County Assessor's Office; County Department of Health Services; County Department of Parks and Recreation; Willdan Financial.

**TABLE 11
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
ESTIMATED FISCAL YEAR 2024-25 SAMPLE TAX BILL
RESIDENTIAL PROPERTY (TAX CLASS 11)**

<i>Assessed Value and Property Taxes</i>		<i>% of Net Assessed Value</i>	<i>Expected Amount</i>	<i>Maximum Amount</i>
GROSS ASSESSED VALUE ⁽¹⁾	\$842,475			
NET ASSESSED VALUE ⁽¹⁾	\$835,475			
Unit Size for Residential Property ⁽²⁾	1,314 Square Feet			
Lot Size for Residential Property ⁽³⁾	730 Square Feet			
<i>AD VALOREM PROPERTY TAXES</i> ⁽⁴⁾				
Basic Levy		1.00000%	\$ 8,354.75	
Metropolitan Water District		0.00350	29.24	
City of Los Angeles G.O. Bonds		0.01145	95.65	
Unified Schools		0.12422	1,037.82	
Community College		<u>0.06023</u>	<u>503.21</u>	
Total General Property Taxes and Overrides		1.19940%	\$ 10,020.67	
<i>ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES</i>				
County of Los Angeles Trauma & Emergency Services ⁽⁵⁾			\$ 65.70	
County of Los Angeles Flood Control District ⁽⁶⁾			3.17	
Los Angeles County Regional Park & Open Space District ⁽⁷⁾			23.78	
Los Angeles County West Vector & Vector-Borne Control District ⁽⁸⁾			13.95	
City of Los Angeles Landscaping and Lighting Assessment District No. 96-1 ⁽⁹⁾			62.62	
City of Los Angeles Street Lighting Maintenance District/Benefit Frontage District ⁽¹⁰⁾			49.26	
City of Los Angeles Stormwater ⁽¹¹⁾			2.53	
West Basin Municipal Water District ⁽¹²⁾			9.60	
Los Angeles County Flood Control District Safe Clean Water Program ⁽¹³⁾			22.42	
District⁽¹⁴⁾			<u>2,454.09</u>	<u>\$ 4,198.01</u>
Total Assessments and Parcel Charges			\$ 2,707.12	\$ 4,451.04
PROJECTED TOTAL PROPERTY TAXES			<u>\$ 12,727.79</u>	<u>\$14,471.71</u>
Projected Total Effective Tax Rate (as % of Gross Assessed Value)			1.51076%	1.71776%

- (1) Net Assessed Value based on average net assessed value for 436 Tax Class 11 (1,200-1,450 square foot) residential units owned by individuals as of January 1, 2023 provided by the County Assessor. Gross Assessed Value based on Net Assessed Value plus \$7,000 homeowner's exemption and is used to determine the Total Effective Tax Rate.
- (2) Estimated based on the average unit size for 436 Tax Class 11 residential units owned by individuals as of January 1, 2023.
- (3) Estimated based on the average lot size for 436 Tax Class 11 residential units owned by individuals as of January 1, 2023.
- (4) Estimated based on actual Fiscal Year 2023-24 ad valorem rates.
- (5) Estimated based on the Fiscal Year 2023-24 rate of \$0.05 per building square foot.
- (6) Estimated based on the Fiscal Year 2023-24 single-family residential rate of \$28.85 per acre of parcel, multiplied by 0.4176, divided by 0.0637.
- (7) Estimated based on the Fiscal Year 2023-24 rate of 0.0181 per building square foot.
- (8) Estimated based on the Fiscal Year 2023-24 rate of \$13.95 per parcel.
- (9) Estimated based on the highest actual Fiscal Year 2023-24 charge for 436 Tax Class 11 residential units. Charge ranges from \$13.44 to \$62.62.
- (10) Estimated based on the highest actual Fiscal Year 2023-24 charge for 436 Tax Class 11 residential units. Tax Class 11 units pay the City of Los Angeles Street Lighting Maintenance District charge, which ranges from \$13.18 to \$49.26, or the City of Los Angeles Benefit Frontage District charge, which ranges from \$17.75 to \$27.43, or neither charge. For purposes of this analysis, DTA has shown only the higher of the two charges.
- (11) Estimated based on the Fiscal Year 2023-24 single-family residential rate of \$23.00 per acre of parcel, multiplied by 0.4176, divided by 0.0637.
- (12) Estimated on the Fiscal Year 2023-24 single-family residential rate of \$9.60 per parcel for parcels less than 1 acre.
- (13) Estimated based on the highest actual Fiscal Year 2023-24 charge for 436 Tax Class 11 residential units. Based on the rate of \$0.025 multiplied by impermeable area in square feet and charge ranges from \$9.99 to \$22.42.
- (14) Expected amount based on the District's Fiscal Year 2024-25 Special Tax levy of \$2,454.09 per unit for Tax Class 11 property. Maximum amount based on the Fiscal Year 2024-25 maximum Special Tax rate of \$4,198.01 per unit for Tax Class 11 property. The maximum Special Tax rate escalates at 2% per year.

Sources: David Taussig and Associates, Inc. dba DTA; City of Los Angeles Bureau of Street Lighting; County Assessor's Office; County Department of Health Services; County Department of Parks and Recreation; Willdan Financial.

SPECIAL RISK FACTORS

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 the order of presentation below does not necessarily reflect the relative importance of the various risks. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District 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 the District.

The principal source of payment of debt service on the Bonds is payments of the Special Tax made with respect to the Taxable Property. As discussed under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Special Taxes," the Special Tax is to be levied annually against all such Taxable Property either at the maximum rate authorized by the Rate and Method or at such lower rates as are determined by the District to raise sufficient funds to comply with the agreements, conditions, covenants and terms contained in the Indenture. The Special Tax is to be collected on the County tax roll at the same time and in the same manner as general *ad valorem* real property taxes are collected. The Special Tax cannot be levied at a tax rate higher than the maximum tax rate even if the maximum tax rate will not produce sufficient Net Special Tax Revenues to pay the principal and interest then payable with respect to the Bonds. Residential parcels are subject to further limitations. See the captions "—Levy of the Special Tax" and "—Collection of the Special Tax."

Payment of the Special Tax levied on a parcel is secured by a continuing lien against such parcel. In the event that an installment of the Special Tax included in the tax bill for a taxable parcel is not paid when due, the District has covenanted to institute foreclosure proceedings in court to cause the parcel to be sold in order to attempt to recover the delinquent amount from the sale proceeds. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Superior Court Foreclosure." Foreclosure and sale may not always result in the recovery of the full amount of delinquent installments of the Special Tax. See the caption "—Collection of the Special Tax." The sufficiency of the foreclosure sale proceeds to cover the delinquent amount depends in part upon the market for and the value of the parcel at the time of the sale. Sufficiency of the foreclosure sale proceeds to cover a delinquency may also depend upon the value of prior or parity liens and similar claims. Further, other governmental claims, such as hazardous substance claims, may affect the realizable value even though such claims may not rise to the status of liens. See the caption "—Hazardous Substances."

Timely foreclosure and sale proceedings with respect to a taxable parcel may be forestalled or delayed by a stay in the event that the owner of the parcel becomes the subject of bankruptcy proceedings. Not only may foreclosure and sale proceedings be forestalled or delayed, but the sale of a parcel may also be similarly affected by a bankruptcy stay. Further, should the stay not be lifted, payment of the Special Tax may be subordinated to bankruptcy law priorities. See the caption "—Bankruptcy and Foreclosure."

Although bankruptcy proceedings may forestall or delay a foreclosure sale or a tax sale of a delinquent taxable parcel, the Special Tax is secured by a lien which, assuming that proper procedures are followed, may be enforced against the parcel. There may not be any recourse against a delinquent property owner because the owner is not personally obligated to pay the Special Tax. Further, if proper disclosure of the authorization of the Special Tax is not made to the owner, the willingness or ability of an owner to pay the Special Tax may be adversely affected. See the caption "—Payment of the Special Tax is Not a Personal Obligation of the Owners."

The District is not obligated to advance funds to pay such debt service if Net Special Tax Revenues are insufficient, except from moneys on deposit in the Reserve Fund. See the caption "—Bonds Are Limited Obligations."

Risks of Real Estate Secured Investments Generally – Declines in Value

Purchasers of the Bonds 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 the District, the supply of or demand for competitive properties in such area and the market value of property 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 threatened and endangered species and hazardous materials) and fiscal policies; (iii) natural disasters (including, without limitation, earthquakes, tsunamis, wildfires, landslides 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 individual parcel owners 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 “—Bankruptcy and Foreclosure” for a discussion of certain limitations on the District’s ability to pursue judicial proceedings with respect to delinquent parcels.

Levy of the Special Tax

The principal source of money with which to pay debt service on the Bonds is the proceeds derived from the annual levy and collection of the Special Tax applicable to the Taxable Property in the District. The amount of the Special Tax that can be levied is limited to the maximum tax rates authorized pursuant to the Rate and Method. Additionally, 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 may not be increased as a consequence of delinquency or default by the owner of any other Assessor’s parcel within the District by more than 10% above the amount that would have been levied in such 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 Maximum Special Tax on residential parcels in all years. The levy cannot be made on such parcels at higher rates even if the failure to do so would result in insufficient Net Special Tax Revenues to pay the principal of and interest on the Bonds as the same become due and payable.

Because the Special Tax is calculated based on factors other than assessed value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of a particular parcel and the amount of the levy of the Special Tax against such parcel. Thus, there will rarely, if ever, be a uniform relationship between the value of a parcel and its proportionate share of the debt service on the Bonds. The Special Tax levied in any particular Fiscal Year on a parcel is based upon the revenue needs of the District and the application of the Rate and Method. The application of the Rate and Method will, in turn, be dependent upon certain development factors with respect to each parcel in comparison to similar development factors with respect to the other parcels in the District. Thus, in addition to annual variations in the revenue needs of the District that must be met from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular parcel to vary from the Special Tax that might otherwise be expected:

1. Failure of the owners of certain parcels of Taxable Property to pay the applicable Special Tax and delays in the collection of or inability to collect such Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property subject to limitations on increases in Special Taxes levied on residential parcels as described above; and
2. Reduction in the number of parcels of Taxable Property, for reasons such as acquisition of such parcels by a governmental entity and failure of the governmental entity to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

Subject to the provisions of Sections 53344.1 and 53356.8 of the Act, the Indenture permits the owners of property within the District to tender a Bond to the District in full or partial payment of any installment of the Special Tax, or the interest or penalties thereon, which may be due or delinquent but for which a bill has been received (such Bond to be taken at par with credit given for the accrued interest shown thereby computed to the date of such tender), provided that an Independent Consultant certifies that such tender would not result in the District having insufficient Special Tax Revenues to pay scheduled debt service on all Outstanding Bonds when due. Assuming the accuracy of any such determination by the Independent Consultant, such a tender would not result, in and of itself, in a payment default with respect to the Bonds. However, such a tender would produce less cash than was anticipated to be collected from the levy of the Special Tax and could require the withdrawal of funds from the Reserve Fund in order to avoid such a default.

Potential Early Redemption of Bonds from Prepayments or Assessment Bond Proceeds

Property owners within the District 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 special assessment district or 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, if any, that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See the caption “THE BONDS—Redemption—*Mandatory Redemption from Special Tax Prepayments*” for a description of the Indenture provisions requiring redemption of Bonds from Special Tax prepayments and information regarding past mandatory prepayments of 2003 Bonds and 2014 Bonds.

Collection of the Special Tax

The timely payment of the principal of and interest on the Bonds is ultimately dependent upon the timely payment of all Special Taxes. Any money on deposit in the Reserve Fund can be used to make such payment in the event of delinquencies, but the replenishment of the Reserve Fund will be dependent on the recovery of such delinquencies. The Indenture provides that the Special Tax is to be collected in the same manner, at the same time and in the same installment as the general taxes on real property are payable (or in such other manner as the City Council determines, including direct billing of the affected property owners) and, except as provided in the special covenant for foreclosure described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Superior Court Foreclosure” and in the Act, is to be subject to the same proportionate penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* taxes on real property.

Pursuant to the Act, in the event of any delinquency in the payment of the Special Tax, the District may institute a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the District has covenanted for the benefit of the owners of the Bonds that it will institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installments of the Special Tax under certain circumstances. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Superior Court Foreclosure.” In the event that foreclosure proceedings are commenced, such foreclosure proceedings could be stayed by the commencement of bankruptcy proceedings by or against the owner of the property being foreclosed. In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the District of the proceeds of sale if the Reserve Fund is depleted.

The District may be unable to make full or timely payment of debt service on the Bonds if property owners in the District fail to pay installments of the Special Tax when due, if the Reserve Fund is depleted, or

if the District is unable to sell foreclosed parcels for amounts sufficient to cover the delinquent installments of the Special Tax.

Concentration of Property Ownership

No property owner within the District is presently responsible for more than approximately 9.62% of the Special Taxes levied within the District (although the District notes that Finvest Playa Vista LLC and Finvest Playa 93 LLC, the second and third largest taxpayers, are affiliated entities that together are responsible for approximately 10.42% of the Special Taxes levied within the District). The top six taxpayers within the District measured by the percentage of the Fiscal Year 2024-25 estimated Special Tax levy are responsible for approximately 21.84% of the total annual Special Tax levied. See the caption “THE COMMUNITY FACILITIES DISTRICT—Largest Taxpayers.” There may be subsequent transfers of ownership of the property within the District. Failure by the owners of property to pay the annual Special Taxes when due could result in a default in payments of the principal of and interest on the Bonds when due. Such risk may be greater or its consequence more severe when ownership is concentrated.

Additionally, pursuant to the Act, under no circumstances will the Special Tax levied against any parcel of residential property within the District be increased as a consequence of delinquency or default by the owner of any other parcel by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquency or default. As a result, while the Maximum Special Taxes pursuant to the Rate and Method may be higher, Maximum Special Taxes levied on residential parcels in a Fiscal Year cannot be greater than 110% of the projected actual Special Tax levy on such parcels for such Fiscal Year.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Rate and Method. In addition, the Act provides that properties or entities of the State, federal or local governments are exempt from the Special Tax; provided, however, that property in the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. 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 such property is to be treated as if it were a special assessment and paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts.

In particular, insofar as the Act requires payment of the Special Tax by a federal entity acquiring property in the District, it may be unconstitutional. See the caption “—FDIC/Federal Government Interests in Properties” below. If for any reason property in the District becomes exempt from taxation by reason of ownership by a nontaxable entity such as the federal government or another public agency, subject to the limitation of the maximum authorized rates, the Special Tax will be reallocated to the remaining taxable properties in the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of property in the District becomes 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 could occur with respect to the payment of such principal and interest.

Risks Related to Homeowners With High Loan to Value Ratios or Negative Equity

There are certain risks in the housing market associated with homeowners with little equity, no equity or negative equity in their homes, a greater use of adjustable rate loans and creative loan structures and a high incidence of similar mortgage loan structures.

Any decline in home values in the District could result in property owner unwillingness or inability to pay mortgage payments, as well as *ad valorem* taxes and special taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes. See the caption “— Bankruptcy and Foreclosure.”

There may be proposals to assist homeowners affected by subprime mortgages. It is possible that laws could be enacted in the future to assist homeowners in default in the payment of mortgages and taxes. It is further possible that federal laws could be enacted that would adversely impact the ability of the District to foreclose on parcels with delinquent Special Taxes. No assurance can be given that any such laws will be enacted, or if enacted will be effective in assisting affected homeowners.

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 City Council, 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 that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates for the District, unless, in connection therewith, (i) such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the District to an amount which is less than the Administrative Expenses 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.

Pursuant to the Act, proceedings could be initiated to reduce or terminate the levy of the Special Tax. However, the Act prohibits the City Council from adopting resolutions to reduce the rate of the Special Tax or terminate the levy of the Special Tax unless the City Council determines that the reduction or termination of

the Special Tax “would not interfere with the timely retirement” of any outstanding indebtedness secured by the Special Tax.

Ballot Initiatives and Legislative Measures

Proposition 218 was adopted pursuant to a measure that qualified for the ballot pursuant to the State’s Constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by State voters or legislation enacted by the State Legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, or local districts to increase revenues or appropriations, and the application of such provisions may be made retroactive to a date prior to the effective date of the initiative or legislation, or even prior to its initial proposal.

Pursuant to the Act, proceedings could be initiated to reduce or terminate the levy of the Special Tax. However, the Act prohibits the City Council from adopting resolutions to reduce the rate of the Special Tax or terminate the levy of the Special Tax unless the City Council determines that the reduction or termination of the Special Tax “would not interfere with the timely retirement” of any outstanding indebtedness secured by the Special Tax.

Maximum Special Tax

Within the limits of the Rate and Method, the District may adjust the Special Tax levied on all property in the District to provide an amount required to pay interest on and principal of the Bonds, and the amount, if any, necessary to cure delinquencies and replenish the Reserve Fund to an amount equal to the Reserve Requirement for the respective Bonds and to pay Administrative Expenses. However, the amount of the Special Tax that may be levied against any property in the District is subject to the maximum Special Tax applicable to it. There is no assurance that the maximum Special Tax on the property in the District will be sufficient to pay the amounts required to be paid by the Indenture at all times. Additionally, pursuant to the Act, under no circumstances will the Special Tax levied against any parcel of residential property within the District be increased as a consequence of delinquency or default by the owner of any other parcel 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. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Special Taxes.”

Payment of the Special Tax is Not a Personal Obligation of the Owners

An owner of a taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation only against the taxable parcel. If the value of a parcel is not sufficient, taking into account other obligations also payable thereby, to fully secure the Special Tax, the District has no recourse against the owner. Enforcement of Special Tax payment obligations by the District is limited to judicial foreclosure proceedings against the delinquent parcel in Superior Court. 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.

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax even if the value of the parcel is sufficient may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the

parcel should the Special Tax be levied at the maximum tax rate and the risk of such a levy, and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The District has recorded a notice of the Special Tax Lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land, a home or a commercial or industrial facility in the District or the lending of money thereon.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. Civil Code § 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Parity Taxes and Special Assessments

Property within the District is subject to tax and assessment liens of several overlapping public agencies. See the caption “THE COMMUNITY FACILITIES DISTRICT—Direct and Overlapping Debt.” The ability or willingness of a property owner in the District to pay the Special Tax could be affected by the existence of other taxes and assessments imposed upon the property. The Special Tax and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special tax and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes, other special taxes, and certain special assessments regardless of when they are imposed upon the same property. In addition to approximately \$1.04 billion in outstanding general obligation bonds, the City has approximately \$146 million in remaining authorization for future general obligation bonds. The Special Tax has priority over all existing and future private liens imposed on the property. Other public agencies whose boundaries overlap those of the District could, with or in some circumstances without the consent of the owners of the land in the District, impose additional taxes or assessment liens on the property in the District in order to finance public improvements to be located inside or outside of the District.

The District has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property in the District. In addition, the City is not prohibited itself from establishing assessment districts, community facilities districts or other districts which might impose assessments or taxes against property in the District and the owners of the property within the District may, without the consent or knowledge of the City or the District, petition other public agencies to issue public indebtedness secured by *ad valorem* taxes, special taxes or assessments. In the event that any additional improvements are financed pursuant to the establishment of an assessment district, community facilities district or other district, any taxes or assessments levied to finance such improvements will have a lien on a parity with the lien of the Special Tax. The imposition of additional liens on a parity with the Special Tax could reduce the ability or willingness of the property owners to pay the Special Tax and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Tax or the principal of and interest on the Bonds when due.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement. Money in the Reserve Fund may be used to pay debt service on the Bonds in the event that the proceeds of the levy and collection of the Special Tax against property in the District are insufficient. If funds in the Reserve Fund are

used to pay debt service on the Bonds, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid pursuant to the Indenture. However, no replenishment from the proceeds of a levy of the Special Tax can occur as long as the proceeds that are collected from the levy of the Special Tax at the maximum tax rates, together with other available funds, remain insufficient to pay all such amounts. Thus, it is possible that the Reserve Fund will be depleted by its use to pay such amounts and will not be replenished by the levy of the Special Tax. There is no assurance that the amount in the Reserve Fund will, at any particular time, be sufficient to pay all such amounts or that any amounts of the Reserve Requirement used for debt service on the Bonds will be fully replenished from the proceeds of the levy and collection of the Special Tax. The District is satisfying the Reserve Requirement by purchasing the Reserve Surety Policy from the Insurer.

Bankruptcy and Foreclosure

Bankruptcy, insolvency and other laws generally affecting creditors rights could adversely impact the interests of Beneficial Owners of the Bonds. The payment of property owners' taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Superior Court Foreclosure."

Although a bankruptcy proceeding would not cause the Special Taxes to become extinguished, the amount of any Special Tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in prosecuting Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of delinquent Special Tax installments and the possibility of delinquent Special Tax installments not being paid in full.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled In re Glasply Marine Industries. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on the property. Although the court upheld the priority of unpaid taxes imposed before the bankruptcy petition, unpaid taxes imposed after the filing of the bankruptcy petition were declared to be "administrative expenses" of the bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was able to foreclose on the property and retain all the proceeds of the sale except the amount of the pre-petition taxes.

The Bankruptcy Reform Act of 1994 (the "Bankruptcy Reform Act") included a provision which exempts from the Bankruptcy Code's automatic stay provisions, "the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state if such tax comes due after the filing of the petition [by a debtor in bankruptcy court]." This amendment effectively makes the Glasply holding inoperative as it relates to *ad valorem* real property taxes. However, it is possible that the original rationale of the Glasply ruling could still result in the treatment of post-petition special taxes as "administrative expenses," rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings.

According to the court's ruling, as administrative expenses, post petition taxes would be paid, assuming that the debtor had sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise), it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as *ad valorem* taxes. No case law exists with respect to how a bankruptcy court would treat the lien for Special Taxes levied after the filing of a petition in bankruptcy. Glasply is controlling precedent on bankruptcy courts in the State. If the Glasply precedent was applied to the levy of the Special Taxes, the amount of Special Taxes received from parcels whose owners declare bankruptcy could be reduced.

The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Moreover, the ability of the District to commence and prosecute enforcement proceedings may be limited 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 foreclosure.

FDIC/Federal Government Interests in Properties

General. The ability of the District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the "FDIC"), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agencies such as Fannie Mae, Freddie Mac, the Drug Enforcement Agency, the Internal Revenue Service or other federal agency, has or obtains an interest.

The District has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. In the case of 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 non-payment 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.

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.

Natural Disasters

The District, like all coastal California communities, may be subject to unpredictable seismic activity, fires due to the vegetation and topography, high winds, flooding, tsunamis and landslides in the event of unseasonable rainfall. In recent years, portions of Southern California have experienced outbreaks of wildfires that have burned thousands of acres at a time and destroyed thousands of homes and structures. Such wildfires have occurred in the County and the adjacent counties of Ventura, Orange, Riverside and San Bernardino, affecting parts of the City near the District and resulting in the destruction of homes.

The occurrence of seismic activity, fires, high winds, flooding, tsunamis or landslides in or around the District could result in substantial damage to properties in the District which, in turn, could substantially reduce the value of such properties. As a result of the occurrence of such an event, a substantial portion of the property owners may be unable or unwilling to pay the Special Tax installments when due, and the Reserve Fund may eventually become depleted. In addition, the value of land in the District could be diminished in the aftermath of such natural events, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Tax installments.

Hazardous Substances

General. While governmental taxes, assessments, and charges are a common claim against the value of a taxable parcel, other less common claims may be relevant. One example is a claim with regard to a hazardous substance.

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a taxable parcel may be required by law to remedy conditions of the parcel 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 “Superfund Act,” is the most well-known and widely applicable of these laws, but State and local laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the taxable parcels be affected by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of the property that is realizable upon a delinquency and foreclosure.

Further, it is possible that liabilities may arise in the future with respect to any of the taxable parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a taxable parcel that is realizable upon a delinquency.

Playa Vista. The Playa Vista site was previously an aircraft manufacturing and testing facility. An investigation of the Playa Vista site was conducted by the Environmental Protection Agency (the “EPA”) under CERCLA guidelines in the late 1980s and the EPA determined that the site did not meet criteria for listing on the National Priorities List. In addition, the quality of the groundwater underlying Playa Vista was studied and reported upon in the environmental impact report which was certified in connection with the approval of development entitlements for Phase I of the Playa Vista project (the “Phase I EIR”). Soil and groundwater contamination, consisting of volatile organic compounds, petroleum hydrocarbons, metals and other contaminants, was detected beneath four areas of the historic aircraft manufacturing and testing facilities within the District. A groundwater treatment facility was developed to remediate the groundwater and operated for approximately six years.

Although the Playa Vista site has been the subject of extensive studies, it is always possible that liabilities could arise in the future as a result of the discovery within the District of a substance that is presently classified as hazardous or as a result of the existence within the District of a substance that is not presently classified as hazardous but which may in the future become so classified. Such liabilities could arise not simply from the existence of a hazardous substance but from the method of handling it as well. Any such liabilities could adversely affect the value of the property within the District.

Natural Gas Storage

[Southern California Gas Company (the “Gas Company”) operates an underground natural gas reservoir in the depleted Del Rey Hills oil field, which is located approximately one mile beneath portions of the Playa Vista project approximately two-tenths of a mile outside the western boundary of the District. This gas reservoir is not located under any residential or commercial development within the District. The reservoir has a capacity of approximately 2.6 billion cubic feet of natural gas. Natural gas piped from Texas and other locations is compressed at the Gas Company’s facility and is cooled and compressed again prior to injection into the porous sandstone reservoir. When recovery of the stored gas is required, it is withdrawn from the reservoir. Although the natural gas is presently stored at depths of approximately 6,200 feet, the Gas Company has an easement that would allow it to store the gas between the depths of 500 feet and 7,000 feet. The Gas Company has easements for roads, pipelines and wells on portions of the Playa Vista project outside of the

District and in rights of way adjacent to the District. Numerous pipelines are located in these easements including those for high pressure gas, oil production, fuel gas, low pressure gas and others.]

The District does not expect the property within the District to be subject to any direct or indirect impact of the Gas Company's natural gas storage operations. However, there can be no assurance that future activities of the Gas Company might not adversely affect the property within the District.

Geologic, Topographic and Climatic Conditions

The value of property within the District may be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements to property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. One or more of such conditions could occur and could result in damage to improvements of varying seriousness. Such damage could entail significant repair or replacement costs and such repair or replacement might never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Taxable Property may well be reduced.

A significant geologic concern that affects property throughout Southern California is earthquakes. The Alquist-Priolo Earthquake Fault Zoning Act of California was enacted in 1972 in order to mitigate the hazard of surface fault rupture along active faults by providing the information necessary to avoid locating structures for human occupancy across traces of active faults. The fault zones which are of greatest concern in the area of the Playa Vista project are the Newport-Inglewood Fault Zone (two miles from the site) and the San Andreas Fault Zone (43 miles from the site). The maximum credible magnitude for earthquakes along the Newport-Inglewood Fault Zone is 7.4, and the maximum credible magnitude for earthquakes along the San Andreas Fault Zone is 8.25. In addition, there are likely to be unmapped faults throughout the City. The most recent major earthquake, the Northridge earthquake in 1994, occurred along a previously unmapped blind thrust fault.

Portions of the Playa Vista project are in an area subject to potential liquefaction in the event of a severe earthquake; and the entire project is within an area which has been designated as a Liquefaction Zone pursuant to the Seismic Hazards Mapping Act of 1990. As a result, site specific seismic hazard evaluations are required for each residential or commercial development project to determine the level of hazard and develop appropriate building systems to mitigate such risks. Pursuant to the requirements of the City's Department of Building and Safety, protection against liquefaction was considered during the structural design of buildings constructed within the District.

There can be no assurance that the value of property within the District will not be affected by damage from earthquakes, liquefaction resulting from earthquakes or land subsidence, and a decline in the value of property within the District could have an adverse effect on the willingness or ability of property owners to pay the Special Taxes.

Los Angeles World Airports and Santa Monica Municipal Airport

Portions of the Playa Vista project are located within 1.1 miles of Los Angeles International Airport ("LAX") and approximately two miles of Santa Monica Municipal Airport (which has plans to close by 2029). The District is within the LAX Hazard Area, a 3.7 mile radius of LAX. Accordingly, residents may be subjected to aircraft noise from such overflights at all hours of the day and night.

Environmental and Social Considerations

The change in the earth's average atmospheric temperature, generally referred to as "climate change," is expected to, among other things, increase the frequency and severity of extreme weather events and cause substantial flooding. The District cannot predict the timing, extent, or severity of climate change and its impact on the value of taxable property in the District. Climate change may be a factor in the increased incidence of wildfire in the City and elsewhere in the County and the State. Also, additional actions to address climate change may be necessary and the District can give no assurances regarding the impact of such actions on the value of taxable property in the District.

In January 2018, the City released a "Local Hazard Mitigation Plan" which identified a number of risks, provided an assessment of potential damage that might result from those risks, and identified certain mitigation strategies. Identified risks included earthquake, adverse weather, drought and flood. The plan also identified various ways in which such risks could be mitigated. The City currently expects to issue an update to the plan in late 2024.

In addition, the City Council created a standing committee to review all matters relating to "Energy and Environment." The City has also created a Climate Emergency Mobilization Office within its Department of Public Works, which coordinates various City and community entities to implement equitable and just climate policies. The City has also hired a Chief Heat Officer, who will lead efforts to respond to extreme heat events and coordinate with various City departments and other agencies, given the understanding that heat-related deaths and hospitalizations disproportionately affect low-income communities. Furthermore, the City established a Climate Impact Team within the Office of the City Administrative Officer in 2023, which is responsible for establishing budgetary metrics and goals to assist the City government in reaching zero greenhouse gas (GHG) emissions by 2045. The team is working to include GHG impacts in budgetary decisions for City services, capital projects, and procurement policies.

Among the specific initiatives to enhance climate resiliency being undertaken by the City include various improvements to the City's wastewater treatment plants in order to recycle all their flow for beneficial use, construction of a series of groundwater remediation projects to further reduce the City's reliance on imported water and mitigate the impacts of prolonged drought, exploration of the use of specially designed "cool roofs" to manage the effect of rising temperatures in urban environments, and tests of the effects of "cool pavement" (a special coating applied to city streets) to manage urban temperatures. As part of the Fiscal Year 2022-23 Adopted Budget, the Bureau of Engineering was directed to develop and implement a plan for decarbonization of the City's facilities, and the Bureau of Sanitation was directed to track and report on municipal greenhouse gas emissions according to the Local Government Operations Protocol. The Bureau of Engineering is anticipated to release a Building Decarbonization Workplan by 2025, which will establish a multi-year prioritization of projects to decarbonize all 965 existing City buildings and facilities by 2035. The Bureau of Sanitation releases its Annual Municipal Greenhouse Gas Inventory Report in the first quarter of each calendar year. The report provides a comprehensive overview of the City's efforts to manage municipal greenhouse gas emissions and details the City's progress towards emissions reductions. The most recent report was presented in February 2024, with data through Calendar Year 2022. In addition, the Fiscal Year 2024-25 Adopted Budget provided \$1.5 million in funding for the creation of a City Climate Action Plan with the goal of achieving carbon neutrality by no later than 2045.

Cybersecurity

The City and the District rely on a large and complex technology environment to conduct their operations. As a recipient and provider of personal, private, and sensitive information, the City and the District face multiple cyber threats, including hacking, viruses, malware, and other attacks on computers and other sensitive digital networks and systems. There have been, however, only limited cyber-attack disruptions on the City's computer system to date. For example, in 2019, the City experienced a cyber-attack that impacted a

cloud-hosted system at a City department. The attack potentially involved certain personal information of about 20,000 applicants who went through the LAPD recruitment process. The City mitigated the attack and notified all the affected individuals immediately. The City installed a web application firewall and endpoint protection system to quickly identify and respond to cyber-attacks targeted at the department's web application systems.

In 2013, the City created the Cyber Intrusion Command Center (the "CICC") under a Mayoral Executive Directive to coordinate cybersecurity preparation and response across City departments. The CICC is comprised of key City departments, cybersecurity professionals, and local and federal law enforcement experts. The CICC has assisted the City in establishing policies for data classification, information handling, and cybersecurity prevention and response protocols. In 2015, the City established an Integrated Security Operations Center (the "ISOC") with cybersecurity professionals for cyber-attack monitoring and response. In addition, the City has identified critical data assets and applied additional cyber defenses through its Critical Asset Protection program. The City conducts cyber security awareness training for all City employees with computer access, conducts phishing email tests, and provides periodic cybersecurity newsletters and workshops to its employees. In 2017, the City consolidated and distributed a comprehensive Information Security Policy Manual with sections dedicated to City employees, City managers, and City technology professionals. Also, the City conducts annual "penetration tests" to identify and remediate any potential weaknesses in its networks and weekly cyber vulnerability scanning on City servers and websites accessible by the Internet. In 2020, the ISOC enabled secure remote access for approximately 18,000 City workers during the COVID-19 pandemic. The City implemented Multi-Factor Authentication and a single sign-on service, retiring outdated infrastructure and introducing a "Cybersecurity Risk Score" system for departments, providing general managers with a way to determine the level of Cybersecurity preparedness within their respective departments. In 2022, the City adopted Attack Surface Management ("ASM") to identify and remediate vulnerabilities and potential attack vectors to the City's public-facing digital assets. It established a comprehensive Cybersecurity Asset Management system, Critical Asset Protection, and the Cyber Watchlist for robust cybersecurity measures. In 2023, the City focused on the principle of "Zero Trust" - a modern security strategy based on the principle of never trust, always verify. To align with this strategy, the City has focused on identifying applications throughout the City to see that they are fully protected. To help achieve the verification, the City has been an active participant in multiple tabletop exercises conducted in partnership with the Department of Homeland Security, California Cybersecurity Integration Center, Joint Regional Intelligence Center, and the County of Los Angeles.

No assurances can be given that the City's and District'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 City's and District's computer and information technology systems could impact its operations and damage the City's or the District's digital networks and systems.

Property Values

The value of property within the District is an important factor in evaluating the investment quality of the Bonds. In the event that a property owner defaults in the payment of a Special Tax installment, the District's only remedy is to commence foreclosure proceedings on such property. Prospective purchasers of the Bonds should not assume that the property within the District could be sold for the assessed value described herein at a foreclosure sale for delinquent Special Tax installments or for an amount adequate to pay delinquent Special Tax installments. Reductions in property values within the District due to a downturn in the economy or the real estate market, events such as earthquakes, wildfires, tsunamis, droughts, landslides or floods, stricter land use regulations, threatened or endangered species or other events may adversely impact the security underlying the liens. The property within the District is substantially developed.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its

current owner, adjusted annually by an amount determined by the County Assessor, generally not to exceed an increase of more than 2% per Fiscal Year as limited by Proposition 13, as amended by Proposition 8. During the Great Recession, several counties in the State, including the County, reassessed certain properties at lower values. The District is aware that the County Assessor made reductions in Fiscal Year 2008-09 and 2009-10 assessed values within the City generally. The District cannot predict whether the County will reduce assessed values within the District in future years. If the County did decide to broadly reassess recent home transactions in the County, it is possible that in future years the assessed values shown in this Official Statement could be adjusted downward from the values reflected on the Fiscal Year 2024-25 Assessor's Roll. No assurance can be given that Fiscal Year 2024-25 assessed values reflect market values or that a parcel could actually be sold for its assessed value.

The actual market value of the property is subject to future events such as a downturn in the economy, occurrences of certain acts of nature and the decisions of various governmental agencies as to land use, all of which could adversely impact the value of the land in the District, which is the security for the Bonds. As discussed herein, many factors could adversely affect property values within the District.

No Acceleration Provision

The Indenture does 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, or in the event that interest on the Bonds becomes included in gross income for federal income tax purposes. Similarly, there is no provision in the Act or the Indenture for the acceleration of the Special Taxes in the event of a payment default by an owner of a parcel or otherwise, or upon any adverse change in the tax status of interest on the Bonds.

Bonds Are Limited Obligations

Neither the faith and credit nor the taxing power of the District (except to the limited extent set forth in the Indenture), the City, the State or any political subdivision thereof is pledged to the payment of the Bonds. The Bonds are special limited obligations of the District; and, except as provided in the Indenture, they are payable solely from Net Special Tax Revenues. Net Special Tax Revenues could be insufficient to pay debt service on the Bonds as a result of delinquencies in the payment of Special Taxes or the insufficiency of proceeds derived from the sale of land within the District following a delinquency in the payment of the applicable Special Tax. The District has no obligation to pay debt service on the Bonds in the event of insufficient Net Special Tax Revenues, except to the extent that money is available for such purpose in the Special Tax Fund, the Bond Fund and the Reserve Fund. The District's only obligation with respect to delinquent Special Taxes is to pursue judicial foreclosure proceedings under the circumstances described in the Indenture. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Superior Court Foreclosure." 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. 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.

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the District has covenanted in the

Indenture and the Tax Certificate relating to the Bonds not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the District subsequent to the issuance of the Bonds in violation of such covenants with respect to the Bonds. Should such an event of taxability occur, the Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or unless earlier redeemed pursuant to the optional or mandatory redemption provisions of the Indenture.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service 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 Internal Revenue Service. 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 similar municipal obligations).

Limited Secondary Market

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 on an annual basis, there can be no assurance that such information will be available to Bondowners on a timely basis. See the caption "CONTINUING DISCLOSURE" and Appendix D. Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information 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 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 creditors' rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. 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.

Enforceability of the rights and remedies of the Owners of the Bonds, and the obligations incurred by the District, may become subject to the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the federal Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a

significant and legitimate public purpose and the limitations on remedies against governmental entities in the State. See the captions “—Bankruptcy and Foreclosure” and “—FDIC/Federal Government Interests in Properties.”

Bond Insurance

In the event of default of the payment of the scheduled principal of or interest on the Insured Bonds when all or some becomes due, the Trustee on behalf of any owner of the Insured Bonds shall have a claim under the Insurance Policy for such payments. The Insurer may direct and must consent to any remedies with respect to the Insured Bonds and the Insurer’s consent may be required in connection with amendments to any applicable documents relating to the Insured Bonds.

The long-term ratings on the Insured Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and the ratings on the Insured Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds. See “RATINGS” herein.

The obligations of the Insurer are unsecured contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

None of the City, the District or the Underwriter has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to make the payments on the Insured Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See “BOND INSURANCE” herein for further information regarding the Insurer and the Insurance Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate, to be dated the date of delivery of the Bonds (the “Continuing Disclosure Certificate”), which provides for certain disclosure obligations on the part of the District. See APPENDIX D—“FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. Under the Continuing Disclosure Certificate, pursuant to which Digital Assurance Certification, L.L.C. will serve as the initial dissemination agent, the District will covenant for the benefit of Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District by not later than March 1 of each year, commencing March 1, 2025 for the report for the 2023-24 fiscal year, or if the fiscal year-end changes from June 30, not later than the first day of the ninth month after the end of the City’s fiscal year (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Reports and the notices of Listed Events will be filed with the MSRB through its EMMA website at <http://emma.msrb.org>. These covenants will be made in order to assist the Underwriter of the Bonds in complying with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the “Rule”).

The City and its related entities issue a variety of bonds, notes and obligations (“Obligations”), including Obligations issued through the City’s proprietary enterprise programs and for its housing program and other conduit borrowers, as well as Obligations secured by special taxes and special assessments. The representations made by the City in this section regarding its previous continuing disclosure undertakings relate only to those Obligations which are managed by the City Administrative Officer and its staff, including

Obligations secured by the City's general fund (including bonds and notes issued through the Municipal Improvement Corporation of Los Angeles (the "Corporation")), and the City's General Obligation Bonds, Wastewater System Revenue Bonds, Tax and Revenue Anticipation Notes, and Solid Waste Revenue Bonds. The City's Department of Airports, Department of Water and Power and Harbor Department (each of which is governed by a Board of Commissioners that is separate from the City Council) enter into separate continuing disclosure undertakings in connection with the bonds and notes that are secured and payable from their respective enterprise revenues.

The City failed to provide notice within 10 business days of the incurrence of the financial obligations set forth in the Purchase and Assignment Agreement with the Corporation and Banc of America Public Capital Corporation and the Sublease Agreement executed in connection therewith in accordance with certain of the City's continuing disclosure undertakings. On October 24, 2019, the City filed notice of the incurrence of these agreements with the MSRB on the EMMA website.

The City failed to provide in a timely manner notice of redemption and failed to file a notice of defeasance for the Municipal Improvement Corporation of Los Angeles Lease Revenue Bonds, Series 2009-D (Recovery Zone Economic Development Bonds) in accordance with the City's continuing disclosure undertakings relating to these bonds. These bonds were paid in full on September 1, 2019 and are no longer outstanding.

Notwithstanding any provision of the Indenture, the failure of the District to comply with the Continuing Disclosure Certificate is not considered an event of default under the Indenture. However, any Owner of Bonds may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Agreement.

TAX MATTERS

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest 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 has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of California or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix B.

Original Issue Discount. The Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Discount Bonds”), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding “qualified stated interest” within the meaning of Section 1.1273-1 of the Treasury Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium. The Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding. An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

ABSENCE OF LITIGATION

There is no action, suit or proceeding pending (with service of process having been given to the City or the District) or, to the knowledge of their respective executive officers, threatened against the City or the District wherein an unfavorable decision, ruling or finding would restrain or enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or the collection of the Special Taxes or the application of the Special Taxes to pay principal of, and interest on, the Bonds, or in any way contest or affect the validity of the Bonds, the Indenture or the Special Taxes.

RATINGS

S&P Global Ratings ("S&P") is expected to assign the rating of "____" to the Insured Bonds based upon the delivery of the Insurance Policy by the Insurer at the time of issuance of the Bonds. See "BOND INSURANCE" herein. In addition, S&P is expected to assign its underlying rating of "____" to the Bonds.

The ratings provided by the rating agency reflects only the views of such organization and an explanation of the significance of such ratings may only be obtained from the rating agency at the following website address: <https://www.spglobal.com/ratings>. No information from such website is incorporated herein by reference. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revisions or withdrawals of such ratings may have an adverse effect on the market price of the Bonds. The City undertakes no responsibility to maintain any rating on the Bonds or to take any action, except as may be required by the Disclosure Certificate, in the event of a downgrade, suspension or withdrawal of a rating.

MUNICIPAL ADVISOR

The District has retained KNN Public Finance, LLC, Berkeley, California, as Municipal Advisor in connection with the issuance 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.

KNN Public Finance, LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

CERTAIN LEGAL MATTERS

Kutak Rock LLP, Bond Counsel to the District, will render an opinion with respect to the validity and enforceability of the Indenture and as to the validity of the Bonds. A copy of the form of such approving opinion is attached hereto as Appendix B. Copies of such approving opinion will accompany each Bond. Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and expresses no opinion relating thereto. Certain legal matters will be passed upon for the City by Hydee Feldstein Soto, City Attorney, and by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Disclosure Counsel to the City and District, for the Underwriter by Sherman & Howard L.L.C., Denver, Colorado, as Underwriter's Counsel, and for the Trustee by its counsel.

UNDERWRITING

The Bonds are being purchased by the Underwriter at a price of \$_____ (being the \$_____ aggregate principal amount thereof, plus an original issue premium of \$_____ and less Underwriter's discount of \$_____). The 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 is subject to certain terms and conditions set forth in the purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The initial public offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets,

securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL INTERESTS

The fees being paid to the Municipal Advisor, Bond Counsel, Disclosure Counsel, the Underwriter and the Underwriter's Counsel are contingent upon the issuance and delivery of the Bonds.

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ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions.

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Owners of the Bonds.

Copies of the Indenture, the Escrow Agreement, the Disclosure Certificate and other documents and information referred to herein are available for inspection at the office of the City Administrative Officer.

The execution and delivery of this Official Statement has been duly authorized by the City Council, acting in its capacity as the legislative body of the District.

CITY OF LOS ANGELES COMMUNITY FACILITIES
DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)

By: _____
Assistant City Administrative Officer

APPENDIX A

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 4
(PLAYA VISTA – PHASE 1)**

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Kutak Rock LLP, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:

September __, 2024

City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1)
Los Angeles, California

Re: \$_____ *City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1)*
 Special Tax Refunding Bonds, Series 2024

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California (the “State”), a certified record of the proceedings of the City of Los Angeles (the “City”) taken in connection with the formation of City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “District”) and the authorization and issuance of the District’s Special Tax Refunding Bonds, Series 2024 in the aggregate principal amount of \$_____ (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 City, the District, 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), and an 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”). All capitalized terms not defined herein have the meanings set forth in the Indenture.

The Bonds are dated their date of delivery and mature on the dates and in the amounts set forth in the Indenture. The Bonds bear interest payable semiannually on March 1 and September 1 of each year, commencing March 1, 2025, at the rates per annum set forth in the Indenture. The Bonds are registered Bonds in the form set forth in the Indenture, redeemable in the amounts, at the times and in the manner provided for 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 City, the State or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Net Special Tax Revenues, neither the faith and credit nor the taxing power of the City, the State or any of its political subdivisions is pledged for the payment thereof.

(2) The execution and delivery of the Indenture has been duly authorized by the District, and the Indenture is valid and binding upon the District and is enforceable in accordance with its terms, provided,

however, that 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 any indemnification, penalty, choice of law, choice of forum or waiver provisions contained therein.

(3) The Indenture creates a valid pledge of that which the Indenture purports to pledge, subject to the provisions of the Indenture.

(4) Interest received by the owners of the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinions set forth in the preceding sentence assume the accuracy of certain representations of the District with respect to certain covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause such interest to be included in gross income for federal income tax purposes or could otherwise adversely affect such opinions retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Bond Counsel is further of the opinion that, under the existing laws of the State, interest on the Bonds is exempt from personal income taxes of the State under present State law. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

In rendering the opinions expressed in paragraph (4) above, we are relying upon representations and covenants of the District in the Indenture and in the Tax Certificate concerning the use of the facilities financed with Bond proceeds, the investment and use of Bond proceeds and the rebate, if any, to the federal government of certain earnings thereon. In addition, we have assumed that all such representations are true and correct and that the District will comply with such covenants. We express no opinion with respect to the exclusions of the interest from gross income under Section 103(a) of the Code in the event that any such representations are untrue or the District fails to comply with such covenants. Except as stated above, we express no opinion as to any federal tax consequences of the receipt of interest on, or the ownership or disposition of, the Bonds.

The opinions that are expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations of the District under the Indenture and the Bonds are subject to and may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

Our opinion is limited to matters governed by the laws of the State and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds 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.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate and other relevant documents may be changed, and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any payment of interest on the Bonds if any such change occurs or action is taken or omitted to be taken upon the advice or approval of counsel other than ourselves.

We call attention to the fact that the foregoing 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). Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

Respectfully submitted,

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture that 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.

[TO COME FROM BOND COUNSEL]

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon the issuance of the Bonds, the District proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1), a community facilities district organized and existing under the laws of the State of California (the “District”) in connection with the issuance and delivery by the District of its City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024 (the “Bonds”) in the aggregate principal amount of \$_____. The Bonds are issued pursuant to the provisions of (i) the Mello Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the Government Code of the State of California), and (ii) pursuant to an 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 District covenants and agrees 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 (as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, 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 or shares 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 tax purposes.

“*DAC*” shall mean Digital Assurance Certificate L.L.C.

“*Dissemination Agent*” shall mean each of the City Administrative Officer of the City or any other person authorized to act on his behalf, acting in the capacity of Dissemination Agent, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation. The initial Dissemination Agent hereunder shall be DAC.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate as Listed Events.

“*MSRB*” means 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 the Official Statement dated September __, 2024, issued by the District in connection with the sale of the Bonds.

“*Owner*” shall mean the person in whose name any Bond shall be registered.

“*Participating Underwriter*” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“*Rule*” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*State*” shall mean the State of California.

Section 3. Provision of Annual Reports.

(a) The District shall cause the Dissemination Agent to, not later than March 1 of each year, commencing March 1, 2025, for the report for the 2023-24 fiscal year, or if the fiscal year end changes from June 30, not later than the first day of the ninth month after the end of the District’s fiscal year, provide to the MSRB 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 or the City Administrative Officer of the City, not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the District’s audited financial statements, if any, may be submitted separately from the balance of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send, in a timely manner, a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

- (i) determine each year prior to the date for providing the Annual Report the then-current procedures for submitting Annual Reports to the MSRB; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

Section 4. Content of Annual Reports. The District’s Annual Report shall contain or incorporate by reference the following:

(a) The District’s audited financial statements, if any, 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 not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 3 hereof, the Annual Report shall contain unaudited financial statements, in a format similar to that used for the District’s audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available. The City does not currently prepare financial statements for the District.

- (b) The following information:
- (i) The principal amount of Bonds Outstanding as of the December 31 next preceding the Annual Report Date;
 - (ii) [The balance in the Reserve Fund, and] a statement of the Reserve Requirement, as of the December 31 next preceding the Annual Report Date;
 - (iii) The total assessed value of all parcels within the District on which the Special Taxes are levied for each of the most recently ended five fiscal years, as shown on the assessment roll of the Los Angeles County Assessor last equalized as of the January 1 of the prior fiscal year, in substantially the form of “Table 2, City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase I) Assessed Values” in the Official Statement;
 - (iv) An update of the estimated assessed value-to-lien ratios for the current fiscal year, based on the assessment roll of the Los Angeles County Assessor last equalized as of the January 1 of the prior fiscal year, in substantially the form of “Table 5, City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase I) Assessed Value-to-Lien Ratios” in the Official Statement;
 - (v) The Special Tax delinquency rate for all parcels within the District, as of the June 30 next preceding the Annual Report Date, in substantially the form of “Table 7, City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase I) Special Tax Delinquency History” in the Official Statement;
 - (vi) The status of foreclosure proceedings and a summary of the results of any foreclosure sales as of the December 31 next preceding the Annual Report Date; and
 - (vii) Any change to Los Angeles County’s participation and inclusion of the Special Taxes in the Teeter Plan during the most recently ended fiscal year.

Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues of the District, the City, or related public entities, that have been made available to the public on the MSRB’s internet website or filed with the Securities and Exchange Commission. The District shall clearly identify each such other documents so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) To the extent applicable and pursuant to provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds (each of which is a “Listed Event”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) modifications to rights to Owners, if material;
- (4) bond calls other than scheduled sinking fund redemptions, if material, and tender offers;
- (5) defeasances;

- (6) rating changes;
- (7) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 570 1-TEB) or other material notices of determinations with respect to the tax status of the Bonds;
- (8) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (9) unscheduled draws on credit enhancements reflecting financial difficulties;
- (10) substitution of any credit or liquidity providers, or their failure to perform;
- (11) release, substitution or sale of property securing repayment of the Bonds, if material;
- (12) bankruptcy, insolvency, receivership or similar event of the District; provided that for the purposes of the event identified in this clause (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing 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 District;
- (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation, as defined in the Rule, of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) If the Dissemination Agent is other than the District, the Dissemination Agent shall, as soon as reasonably practicable after obtaining actual knowledge of the occurrence of any of the Listed Events contact the District and request that the District promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (a) and promptly direct the Dissemination Agent whether or not to report such event to the owners of the Bonds. In the absence of such direction, the Dissemination Agent shall not report such event unless required to be reported by the Dissemination Agent to the owners of the Bonds under the Indenture. The Dissemination Agent may conclusively rely upon such direction or lack thereof. For purposes of this Disclosure Certificate, actual knowledge of the occurrence of such Listed Events shall mean actual knowledge by the Dissemination Agent. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Listed Events. Notwithstanding the foregoing, notice of any Listed Event shall be filed with the MSRB through its EMMA system, in an electronic format as

prescribed by the MSRB, in a timely manner but not in excess of 10 business days after the occurrence of such Listed Event.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event, but, in the case of a Listed Event described in subsection (2), (3), (4) (but only with respect to bond calls), (11), (13), (14) and (15) of Section 5(a), only in the event the District determines that knowledge of occurrence of a Listed Event would be material under applicable federal securities laws, the District shall file or cause to be filed a notice of such occurrence with the MSRB through its EMMA system, in an electronic format as prescribed by the MSRB, in a timely manner but not in excess of 10 business days after the occurrence of such Listed Event.

Section 6. Termination of Reporting Obligations. The District's obligations under the Disclosure Certificate with respect to the Bonds shall terminate upon the legal defeasance, prior redemption or payment in full 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(c).

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent other than the original Dissemination Agent to assist it in carrying out its obligations under the Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (other than the District or the City Administrative Officer of the City) shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to the Disclosure Certificate.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the District may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions relating to the filing of an Annual Report or the giving of notice of a Listed Event as set forth in Sections 3(a), 4 or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) 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 opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c) hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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 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, the Owners' rights to enforce the provisions of this Disclosure Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Certificate. Any failure by a party to perform in accordance with this Disclosure Certificate shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

Section 11. 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 District agrees to indemnify and save the Dissemination Agent, 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 its 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. The obligations of the District under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: September __, 2024

CITY OF LOS ANGELES COMMUNITY FACILITIES
DISTRICT NO. 4 (PLAYA VISTA-PHASE 1)

By: _____
Assistant City Administrative Officer

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Los Angeles Community Facilities District No. 4 (Playa Vista-Phase 1)

Name of Bond Issue: City of Los Angeles Community Facilities District No. 4 (Playa Vista-Phase 1)
Special Tax Refunding Bonds, Series 2024

Date of Issuance: September __, 2024

NOTICE IS HEREBY GIVEN that the City of Los Angeles Community Facilities District No. 4 (Playa Vista-Phase 1) (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated September __, 2024. The District anticipates that the Annual Report will be filed by _____.

Dated: _____, 20__

CITY OF LOS ANGELES COMMUNITY FACILITIES
DISTRICT NO. 4 (PLAYA VISTA-PHASE 1)

By: _____
Assistant City Administrative Officer

APPENDIX E

BOOK-ENTRY AND 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 F
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

Attachment C

Indenture

INDENTURE

by and between

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4
(PLAYA VISTA – PHASE 1)**

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE**

Dated as of September 1, 2024

**Relating to
City of Los Angeles
Community Facilities District No. 4
(Playa Vista – Phase 1)
Special Tax Refunding Bonds, Series 2024**

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INDENTURE

THIS INDENTURE (this “**Indenture**”), dated as of September 1, 2024, is entered into by and between the CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1), a community facilities district that is organized and existing under the laws of the State of California (the “**Community Facilities District**”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “**Trustee**”).

RECITALS

A. The Council of the City of Los Angeles has formed the Community Facilities District under the provisions of the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 *et seq.* of the California Government Code (the “**Act**”).

B. The Community Facilities District is authorized under the Act to levy special taxes (the “**Special Taxes**”) to pay for the costs of certain public facilities (the “**Facilities**”) and to issue bonds payable from the Special Taxes.

C. In order to provide funds to finance certain Facilities, the Community Facilities District issued \$135,000,000 aggregate principal amount of City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Bonds, Series 2003 (the “**2003 Bonds**”), pursuant to the Indenture, dated as of April 1, 2003, by and between the Community Facilities District and U.S. Bank National Association, as trustee.

D. On September 1, 2014, the 2003 Bonds were refunded in full from proceeds of the \$81,200,000 aggregate principal amount of City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2014 (the “**Prior Bonds**”), pursuant to the Indenture, dated as of August 1, 2014, by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as successor trustee.

E. The Community Facilities District has determined that it would be advantageous to refund the outstanding Prior Bonds.

F. In order to provide funds to refund the outstanding Prior Bonds, the Community Facilities District desires to provide for the issuance of City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024 (the “**Series 2024 Bonds**”), in the aggregate principal amount of \$_____.

G. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District has authorized the execution and delivery of this Indenture.

H. The Community Facilities District has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Community Facilities District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Community Facilities District, and to constitute this Indenture a valid and

binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture has been in all respects duly authorized.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare 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 herein contained 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 Community Facilities District does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

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

“**Act**” means the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code.

“**Additional Bonds**” means obligations other than the Bonds which are payable from Net Special Tax Revenues on a parity with the Bonds.

“**Administrative Expense Fund**” means the fund by that name established and held by the Trustee pursuant to Section 5.07.

“**Administrative Expenses**” means costs directly related to the administration of the Community Facilities District, consisting of the costs of computing the Special Taxes, preparing the annual Special Tax collection schedules, collecting the Special Taxes and remitting the Special Taxes to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under this Indenture, the costs incurred by the Community Facilities District in complying with the disclosure provisions of any continuing disclosure undertaking and this Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of the Community Facilities District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the Community Facilities District to comply with Section 6.07, an allocable share of the salaries of the City staff providing services on behalf of the Community Facilities District directly related to the foregoing and a proportionate amount of City general administrative overhead related thereto, and the costs of foreclosure of delinquent Special Taxes.

“**Annual Debt Service**” means, for each Bond Year, the sum of: (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions); and (b) the principal of

the Outstanding Bonds due in such Bond Year (including by reason of mandatory sinking fund redemptions).

“Authorized Denominations” means \$5,000 and any integral multiple thereof.

“Authorized Representative” means, with respect to the Community Facilities District, the City Administrative Officer of the City, any Assistant City Administrative Officer of the City and any other Person designated as an Authorized Representative of the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee.

“Average Annual Debt Service” means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

“Beneficial Owners” means those Persons for which the Participants have caused the Depository to hold Book-Entry Bonds.

“Bond Counsel” means a firm of nationally recognized bond counsel selected by the Community Facilities District.

“Bond Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.03.

“Bond Year” means each twelve-month period beginning on September 2 in each year and extending to the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2025.

“Bonds” means the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds issued hereunder, including the Series 2024 Bonds.

“Book-Entry Bonds” means the Bonds of a Series registered in the name of the Depository, or the Nominee thereof, as the registered owner thereof pursuant to the terms and provisions of Section 2.07.

“Business Day” means a day which is not: (a) a Saturday, Sunday or legal holiday in the State; (b) a day on which banking institutions in the State, or in any state in which the Office of the Trustee is located, are required or authorized by law (including executive order) to close; or (c) a day on which the New York Stock Exchange is closed.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to a Series of Book-Entry Bonds.

“City” means the City of Los Angeles, a charter city organized and existing under the laws of the State, and its successors.

“City Council” means the Council of the City.

“Closing Date” means the date upon which the Series 2024 Bonds are delivered to the Original Purchaser, being September __, 2024.

“Code” means the Internal Revenue Code of 1986.

“Community Facilities District” means the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1), a community facilities district that is organized and existing under the laws of the State, and its successors.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated the Closing Date, executed by the Community Facilities District, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corresponding Bond Year” means, with respect to any Fiscal Year, the Bond Year that commences in such Fiscal Year.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Community Facilities District relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, any premium for bond insurance securing payment of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“County” means the County of Los Angeles, a county and political subdivision of the State organized and existing under the laws of the State, and any successor thereto.

“County Assessor” means the Assessor of the County.

“County Auditor” means the Auditor-Controller of the County.

“Defeasance Securities” means: (a) Treasuries; and (b) evidences of ownership of proportionate interests in future interest and principal payments on the Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“Depository” means DTC, and its successors as securities depository for any Series of Book-Entry Bonds, including any such successor appointed pursuant to Section 2.07.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York.

“Escrow Agreement” means the Escrow Agreement, dated as of September 1, 2024, by and between the Community Facilities District and the Escrow Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Escrow Agent” means U.S. Bank Trust Company, National Association, as prior trustee and as escrow agent under the Escrow Agreement, and any successor thereto.

“Event of Default” means any event or circumstance specified in Section 7.01.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Community Facilities District.

“Indenture” means this Indenture, dated as of September 1, 2024, by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Indenture.

“Independent Consultant” means any consultant or firm of such consultants selected by the Community Facilities District and who, or each of whom: (a) is generally recognized to be qualified in the financial consulting field; (b) is in fact independent and not under the control of the Community Facilities District or the City; (c) does not have any substantial interest, direct or indirect, with or in the Community Facilities District or the City, or any owner of real property in the Community Facilities District, or any real property in the Community Facilities District; and (d) is not connected with the Community Facilities District or the City as an officer or employee thereof, but who may be regularly retained to make reports to the Community Facilities District or the City.

“Interest Account” means the account by that name within the Bond Fund established and held by the Trustee pursuant to Section 5.03.

“Interest Payment Dates” means March 1 and September 1 of each year, commencing March 1, 2025.

“Letter of Representations” means the Letter of Representations from the Community Facilities District to the Depository, in which the Community Facilities District makes certain representations with respect to issues of its securities for deposit by the Depository.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“Net Special Tax Revenues” means Special Tax Revenues, less amounts required to pay Administrative Expenses.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.07.

“Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California or such other office as may be specified to the Community Facilities District by the Trustee in writing; provided, however, that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted, which other office or agency shall be specified to the Community Facilities District by the Trustee in writing.

“Ordinance Levying Special Taxes” means any ordinance adopted by the City Council levying the Special Taxes.

“Original Purchaser” means the original purchaser of the Series 2024 Bonds from the Community Facilities District.

“Outstanding” means, when used as of any particular time with reference to Bonds, subject to the provisions of Section 11.07, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Community Facilities District shall have been discharged in accordance with Section 10.01; and (c) Bonds in lieu of which other Bonds shall have been authenticated and delivered by the Trustee pursuant to Section 2.08.

“Owner” means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

“Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“Participating Underwriter” has the meaning ascribed to such term in the Continuing Disclosure Certificate.

“Permitted Investments” is defined in Exhibit A.

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

“Principal Account” means the account by that name within the Bond Fund established and held by the Trustee pursuant to Section 5.03.

“Prior Bonds” means the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2014, issued under the Prior Indenture.

“Prior Indenture” means the Indenture, dated as of August 1, 2014, by and between the Community Facilities District and the Prior Trustee.

“Prior Trustee” means U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association under the Prior Indenture.

“Rate and Method” means the rate and method of apportionment of the Special Taxes approved by the qualified electors of the Community Facilities District.

“Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.06.

“Rebate Requirement” has the meaning ascribed to such term in the Tax Certificate.

“Record Date” means, with respect to interest payable on any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.05.

“Redemption Price” means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof pursuant hereto.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.05.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.04.

“Reserve Requirement” means, as of the date of any calculation, the least of: (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds); (b) Maximum Annual Debt Service; and (c) 125% of Average Annual Debt Service.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“Series” means the Series 2024 Bonds and any other Bonds executed, authenticated and delivered pursuant to this Indenture, with such additional designation as needed to distinguish such Series from any other Series.

“Series 2024 Bonds” means the initial Series of Bonds issued hereunder, being the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024 issued in the aggregate principal amount of \$_____.

“Special Tax Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.02.

“Special Tax Revenues” means the proceeds of the Special Taxes received by or on behalf of the Community Facilities District, including any prepayments thereof, interest and penalties

thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, which shall be limited to the amount of said lien and interest and penalties thereon.

“**Special Taxes**” means the special taxes levied within the Community Facilities District pursuant to the Act, the Ordinance Levying Special Taxes, the Rate and Method and this Indenture.

“**State**” means the State of California.

“**Supplemental Indenture**” means any supplemental indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“**Tax Certificate**” means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2024 Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Treasuries**” means non-callable direct obligations of the United States of America.

“**Trustee**” means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee hereunder substituted in its place as provided herein.

“**Verification Report**” means, with respect to the deemed payment of Bonds pursuant to clause (ii) of Section 10.02(a), a report of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of clause (ii) of Section 10.02(a).

“**Written Certificate**” and “**Written Request**” of the Community Facilities District mean, respectively, a written certificate or written request signed in the name of the Community Facilities District by an Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Community Facilities District, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Community Facilities District shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds.

(a) The Community Facilities District hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture, the Act and other applicable laws of the State. The aggregate principal amount of Bonds that may be issued and Outstanding under this Indenture shall not exceed \$____, except as may be otherwise provided in Section 2.08. The Bonds may consist of one or more Series of Bonds of varying dates, maturities, interest rates and other provisions, subject to the provisions and conditions contained herein. The Bonds shall be designated generally as the “City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds.

(b) The Bonds shall be special obligations of the Community Facilities District, payable, as provided herein, solely from Net Special Tax Revenues and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth herein), the City or the State, or any political subdivision thereof, is pledged to the payment of the Bonds.

Section 2.02. Terms of Series 2024 Bonds.

(a) The Series 2024 Bonds shall be issued in the aggregate principal amount of \$____ and shall be designated “City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024.”

(b) The Series 2024 Bonds shall be issued in fully-registered form without coupons in Authorized Denominations, so long as no Series 2024 Bond shall have more than one maturity date. The Series 2024 Bonds shall be dated as of the Closing Date, shall mature on September 1 of each year, shall bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months) and shall be in the principal amounts as follows:

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2025	\$	%
2026		
2027		
2028		
2029		
2030		
2031		

(c) Interest on the Series 2024 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless: (i) a Series 2024 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding

Record Date, in which event interest thereon shall be payable from such Interest Payment Date; (ii) a Series 2024 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date; or (iii) interest on any Series 2024 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2024 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Series 2024 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2024 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

(d) The principal of the Series 2024 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(e) The Series 2024 Bonds shall be subject to redemption as provided in Article IV.

(f) The Series 2024 Bonds shall be in substantially the form set forth in Exhibit B, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.03. Execution of Bonds. The Bonds shall be executed in the name of the Community Facilities District with the manual or facsimile signature of the President of the City Council attested by the manual or facsimile signature of the City Clerk or any Deputy City Clerk of the City; provided, however, that at least one of such signatures shall be a manual signature. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers who shall have signed or attested any of the Bonds shall cease to be such officers before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Community Facilities District, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Community Facilities District as though those who signed and attested the same had continued to be such officers, and also any Bonds may be signed and attested on behalf of the Community Facilities District by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the City although at the nominal date of such Bonds any such Person shall not have been such officer of the City.

Section 2.04. Authentication of Bonds. Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit B for the Series 2024 Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive

evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.05. Registration Books. The Trustee shall keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the Community Facilities District; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds.

Section 2.06. Transfer and Exchange of Bonds.

(a) Any Bond may be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Bond to the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be so surrendered for transfer, the Community Facilities District shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

(b) The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(c) The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to this Section during the period established by the Trustee for the selection of Bonds of such Series for redemption, or with respect to any Bonds of such Series selected for redemption.

Section 2.07. Book-Entry System.

(a) Prior to the issuance of a Series of Bonds, the Community Facilities District may provide that such Series of Bonds shall initially be issued as Book-Entry Bonds, and in such event, the Bonds of such Series for each maturity date shall be in the form of a separate single fully-registered Bond (which may be typewritten). Upon initial issuance, the ownership of each such Bond of such Series shall be registered in the Registration Books in the name of the Nominee, as nominee of the Depository. The Series 2024 Bonds shall initially be issued as Book-Entry Bonds.

Payment of principal of, and interest and premium, if any, on, any Book-Entry Bond registered in the name of the Nominee shall be made on the applicable payment date by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of the Nominee. Such payments shall be made to the Nominee at the address which is, on the Record Date, shown for the Nominee in the Registration Books.

(b) With respect to Book-Entry Bonds, the Community Facilities District and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in such Book-Entry Bonds. Without limiting the immediately preceding sentence, the Community Facilities 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 Book-Entry Bonds; (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any notice with respect to Book-Entry Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Bonds of a maturity to be redeemed in the event such Book-Entry Bonds are redeemed in part; (iv) the payment to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any amount with respect to principal of, or premium, if any, or interest on Book-Entry Bonds; or (v) any consent given or other action taken by the Depository as Owner.

(c) The Community Facilities District and the Trustee may treat and consider the Person in whose name each Book-Entry Bond is registered in the Registration Books as the absolute Owner of such Book-Entry Bond for the purpose of payment of principal of, and premium, if any, and interest on such Bond, for the purpose of selecting any Bonds, or portions thereof, to be redeemed, for the purpose of giving notices of redemption and other matters with respect to such Book-Entry Bond, for the purpose of registering transfers with respect to such Book-Entry Bond, for the purpose of obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and the Community Facilities District and the Trustee shall not be affected by any notice to the contrary.

(d) In the event of a redemption of all or a portion of a Book-Entry Bond, the Depository, in its discretion: (i) may request the Trustee to authenticate and deliver a new Book-Entry Bond; or (ii) if the Depository is the sole Owner of such Book-Entry Bond, shall make an appropriate notation on the Book-Entry Bond indicating the date and amounts of the reduction in principal thereof resulting from such redemption, except in the case of final payment, in which case such Book-Entry Bond must be presented to the Trustee prior to payment.

(e) The Trustee shall pay all principal of, and premium, if any, and interest on the Book-Entry Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State) the respective Owner, as shown in the Registration Books, or such Owner’s respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of, and premium, if any, and interest on the Book-Entry Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Registration Books, shall receive an authenticated Book-Entry Bond. Upon delivery by the Depository to the Owners, the Community Facilities District and the Trustee 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 nominee of the Depository.

(f) In order to qualify the Book-Entry Bonds for the Depository’s book-entry system, the Community Facilities District shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way

impose upon the Community Facilities District or the Trustee any obligation whatsoever with respect to Persons having interests in such Book-Entry Bonds other than the Owners, as shown on the Registration Books. Such Letter of Representations may provide the time, form, content and manner of transmission, of notices to the Depository. In addition to the execution and delivery of a Letter of Representations by the Community Facilities District, the Community Facilities District and the Trustee shall take such other actions, not inconsistent with this Indenture, as are reasonably necessary to qualify Book-Entry Bonds for the Depository's book-entry program.

(g) In the event that the Community Facilities District determines that it is in the best interests of the Beneficial Owners that they be able to obtain certificated Bonds and that such Bonds should therefore be made available, and notifies the Depository and the Trustee of such determination, the Depository will notify the Participants of the availability through the Depository of certificated Bonds. In such event, the Trustee shall transfer and exchange certificated Bonds as requested by the Depository and any other Owners in appropriate amounts. In the event: (i) the Depository determines not to continue to act as securities depository for Book-Entry Bonds; or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Community Facilities District shall discontinue the Book-Entry system with the Depository. If the Community Facilities District determines to replace the Depository with another qualified securities depository, the Community Facilities District shall prepare or direct the preparation of a new single, separate, fully-registered Bond of the appropriate Series for each maturity date of such Book-Entry Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Community Facilities District fails to identify another qualified securities depository to replace the Depository, then the Book-Entry Bonds shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.06, 2.08 and 2.09. Whenever the Depository requests the Community Facilities District to do so, the Community Facilities District shall cooperate with the Depository in taking appropriate action after reasonable notice: (i) to make available one or more separate certificates evidencing the Book-Entry Bonds to any Participant having Book-Entry Bonds credited to its account with the Depository; and (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Book-Entry Bonds.

(h) Notwithstanding any other provision of this Indenture to the contrary, if the Depository is the sole Owner of the Bonds of a Series, so long as any Book-Entry Bond of such Series is registered in the name of the Nominee, all payments of principal of, and premium, if any, and interest on such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

(i) In connection with any notice or other communication to be provided to Owners pursuant to this Indenture by the Community Facilities District or the Trustee, with respect to any consent or other action to be taken by Owners of Book-Entry Bonds, the Trustee shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Community Facilities District, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Community Facilities District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Community Facilities District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like aggregate principal amount in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Community Facilities District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Community Facilities District and the Trustee. Any Bond of a Series issued under the provisions of this Section in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Community Facilities District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds of such Series secured by this Indenture.

Section 2.09. Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such Authorized Denominations as may be determined by the Community Facilities District, shall be in fully-registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Community Facilities District and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Community Facilities District issues temporary Bonds of a Series it shall execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver, in exchange for such temporary Bonds, an equal aggregate principal amount of definitive Bonds of such Series and maturities in Authorized Denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under this Indenture as definitive Bonds of such Series authenticated and delivered hereunder.

ARTICLE III

ISSUANCE OF SERIES 2024 BONDS; APPLICATION OF PROCEEDS; NO ADDITIONAL BONDS

Section 3.01. Issuance of Series 2024 Bonds. The Community Facilities District may, at any time, execute the Series 2024 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2024 Bonds and deliver the Series 2024 Bonds to the Original Purchaser

upon receipt of a Written Request of the Community Facilities District and upon receipt of the purchase price therefor.

Section 3.02. Application of Proceeds. On the Closing Date, the proceeds of the sale of the Series 2024 Bonds received by the Trustee, \$_____ (consisting of the principal amount of the Series 2024 Bonds, plus/less a net original issue premium/discount of \$____ and less an underwriter's discount of \$_____), shall be deposited or transferred by the Trustee as follows:

(a) the Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund;

(b) the Trustee shall deposit the amount of \$_____ in the Reserve Fund, which is equal to the Reserve Requirement; and

(c) the Trustee shall transfer the amount of \$_____ to the Escrow Agent, to be applied to the payment of the Prior Bonds in accordance with the provisions of the Escrow Agreement.

The Trustee may establish temporary funds and accounts in its records in connection with the receipt of the proceeds of the Series 2024 Bonds.

Section 3.03. Costs of Issuance Fund.

(a) The Trustee shall establish and maintain a separate fund designated the "Costs of Issuance Fund." On the Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 3.02(a).

(b) The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Community Facilities District stating: (i) the Person to whom payment is to be made; (ii) the amount to be paid; (iii) the purpose for which the obligation was incurred; (iv) that such payment is a proper charge against the Costs of Issuance Fund; and (v) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. On the last Business Day that is no later than six months after the Closing Date, the Trustee shall transfer any amount remaining in the Costs of Issuance Fund to the Bond Fund and, upon making such transfer, the Costs of Issuance Fund shall be closed.

Section 3.04. No Additional Bonds. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any Additional Bonds or obligations payable from Net Special Tax Revenues on a parity with the Bonds. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any obligations payable from Net Special Tax Revenues on a basis senior to the Bonds. The Community Facilities District may issue obligations payable from Net Special Tax Revenues on a basis subordinate to the Bonds.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Redemption of Series 2024 Bonds.

(a) ***No Optional Redemption.*** The Series 2024 Bonds are not subject to optional redemption prior to maturity.

(b) ***Mandatory Redemption from Special Tax Prepayments.*** The Series 2024 Bonds shall be subject to mandatory redemption, in whole, or in part in Authorized Denominations, on any Interest Payment Date, from and to the extent of prepaid Special Taxes required to be applied thereto pursuant to Section 5.02(a) and any amount required to be applied thereto pursuant to Section 5.04(c), at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2024 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 1, 2025 through ___ 1, 20__	103%
___ 1, 20__ and ___ 1, 20__	102
___ 1, 20__ and ___ 1, 20__	101
___ 1, 20__ and thereafter	100

Section 4.02. Notice of Redemption. The Trustee on behalf and at the expense of the Community Facilities District shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, if any, and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Section 4.03. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption with respect to any redemption pursuant to Section 4.01(b), among maturities of all Series of Bonds on a *pro rata* basis as nearly as practicable. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Community Facilities District, a new Bond or Bonds of the same Series in Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Bonds surrendered.

Section 4.05. Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside with the Trustee, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

ARTICLE V

SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01. Pledge. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act, the Community Facilities District hereby pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Community Facilities District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

Section 5.02. Special Tax Fund.

(a) The Trustee shall establish and maintain a separate fund designated the "Special Tax Fund." As soon as practicable after the receipt by the Community Facilities District of any Special Tax Revenues, but in any event no later than the date ten Business Days prior to the next Interest Payment Date which falls after such receipt, the Community Facilities District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided,

however, that with respect to any such Special Tax Revenues that represent prepaid Special Taxes: (i) said prepaid Special Taxes shall be identified as such in a Written Certificate of the Community Facilities District delivered to the Trustee at the time that such prepaid Special Taxes are transferred to the Trustee; (ii) the portion of such prepaid Special Taxes that is to be applied to the Redemption Price of the Bonds shall be identified in such Written Certificate of the Community Facilities District, shall be deposited by the Trustee in the Redemption Fund and shall be applied to the redemption of Bonds pursuant to Section 4.01(b); and (iii) the portion of such prepaid Special Taxes that is to be applied to the payment of interest on the Bonds to be so redeemed shall be identified in such Written Certificate of the Community Facilities District, shall be deposited by the Trustee in the Interest Account and shall be applied to the payment of such interest.

(b) Upon receipt of a Written Request of the Community Facilities District, the Trustee shall withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the amount specified in such Written Request of the Community Facilities District as the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses.

(c) On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer to the Administrative Expense Fund, the Trustee shall withdraw from the Special Tax Fund Net Special Tax Revenues in an amount sufficient to enable the Trustee to make the following transfers in the following order of priority:

(i) ***Interest Account.*** To the Interest Account, the amount, if any, necessary to cause the amount on deposit in the Interest Account to be equal to the interest due on the Bonds on such Interest Payment Date;

(ii) ***Principal Account.*** To the Principal Account, the amount, if any, necessary to cause the amount on deposit in the Principal Account to be equal to the principal, if any, due on the Bonds on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds; and

(iii) ***Reserve Fund.*** To the Reserve Fund, the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement.

Upon the receipt of such amounts from the Community Facilities District, the Trustee shall make such transfers in said order of priority.

Section 5.03. Bond Fund.

(a) The Trustee shall establish and maintain a separate fund designated the “Bond Fund.” Within the Bond Fund, the Trustee shall establish and maintain a separate account designated the “Principal Account” and a separate account designated the “Interest Account.” The Trustee shall deposit in the Interest Account and the Principal Account from time to time the amounts required to be deposited therein pursuant to Section 5.02.

(b) In the event that, on the Business Day prior to an Interest Payment Date, amounts in the Interest Account are insufficient to pay the interest on the Bonds due and payable on such Interest Payment Date, the Trustee shall withdraw from the Reserve Fund, to the extent of

any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Interest Account.

(c) On each Interest Payment Date, the Trustee shall withdraw from the Interest Account for payment to the Owners of the Bonds the interest on the Bonds then due and payable.

(d) In the event that, on the Business Day prior to a September 1 on which principal of the Bonds is due and payable, including principal due and payable by reason of mandatory sinking fund redemption of the Bonds, amounts in the Principal Account are insufficient to pay such principal, after having withdrawn any amounts from the Reserve Fund required to be withdrawn therefrom on such date pursuant to subsection (b) of this Section, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Principal Account.

(e) On each September 1 on which principal of the Bonds is due and payable, including principal due and payable by reason of mandatory sinking fund redemption of the Bonds, the Trustee shall withdraw from the Principal Account for payment to the Owners of the Bonds such principal then due and payable.

Section 5.04. Reserve Fund.

(a) The Trustee shall establish and maintain a special fund designated the "Reserve Fund." On the Closing Date, the Trustee shall deposit in the Reserve Fund the amount specified in Section 3.02(b). The Trustee shall deposit in the Reserve Fund from time to time the amounts required to be deposited therein pursuant to Section 5.02(c)(iii).

(b) Except as otherwise provided in this Section, amounts in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of: (i) making transfers to the Interest Account in accordance with Section 5.03(b) in the event of any deficiency at any time in the Interest Account of the amount then required for payment of the interest on the Bonds; (ii) making transfers to the Principal Account in accordance with Section 5.03(d) in the event of any deficiency at any time in the Principal Account of the amount then required for payment of the principal of the Bonds; and (iii) redeeming Bonds in accordance with the provisions of this Section.

(c) Whenever Bonds are to be redeemed from Special Tax prepayments, a proportionate share, determined as provided below, of the amount on deposit in the Reserve Fund shall, on the date on which amounts to redeem such Bonds are deposited in the Redemption Fund or otherwise deposited with the Trustee pursuant to Section 10.02, be transferred by the Trustee from the Reserve Fund to the Redemption Fund or to such deposit held by the Trustee and shall be applied to the redemption of said Bonds; provided, however, that such amount shall be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Bonds to be redeemed). Such proportionate share shall be equal to the largest integral multiple of the minimum Authorized Denomination for said Bonds that is not larger than the amount equal to the product of: (i) the amount on deposit in the Reserve Fund on the date of such transfer; multiplied by (ii) a fraction, the numerator of which is the principal amount of Bonds to be so redeemed and

the denominator of which is the principal amount of Bonds to be Outstanding on the day prior to the date on which such Bonds are to be so redeemed.

(d) Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee shall, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Interest Account, Principal Account and/or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Bonds.

(e) If, as a result of the scheduled payment of principal of or interest on the Bonds, the Reserve Requirement is reduced, the Trustee shall transfer an amount equal to the amount of such reduction to the Interest Account.

Section 5.05. Redemption Fund.

(a) The Trustee shall establish and maintain a special fund designated the “Redemption Fund.” The Trustee shall deposit in the Redemption Fund: (i) the portion of prepaid Special Taxes required to be deposited therein pursuant to Section 5.02(a); (ii) amounts required to be transferred to the Redemption Fund from the Reserve Fund pursuant to Section 5.04(c) or Section 5.04(d); and (iii) amounts required to be deposited therein pursuant to any Supplemental Indenture.

(b) Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the Redemption Price of Series 2024 Bonds redeemed pursuant to Section 4.01(b).

Section 5.06. Rebate Fund.

(a) ***Establishment.*** The Trustee shall establish a fund for the Bonds designated the “Rebate Fund” when required in accordance herewith. Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bonds will not be adversely affected, the Community Facilities District shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Bonds shall be governed by this Section and the Tax Certificate, unless and to the extent that the Community Facilities District delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bonds will not be adversely affected if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee: (1) shall be deemed conclusively to have complied with the provisions thereof if it follows all Written Requests of the Community Facilities District; (2) shall have no liability or responsibility to enforce compliance by the Community Facilities District with the terms of the Tax Certificate and shall not be deemed to have knowledge of the terms thereof; (3) may rely conclusively on the Community Facilities District’s calculations and determinations and certifications relating to rebate matters; and (4) shall have no responsibility

to independently make any calculations or determinations or to review the Community Facilities District's calculations or determinations thereunder.

(i) Computation. Within 55 days of the end of each fifth Bond Year (commencing within 55 days after September 1, 2029, the Community Facilities District shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (*e.g.*, the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(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 Treasury Regulations (the “**Rebatable Arbitrage**”). The Community Facilities District shall obtain the advice of an accounting firm or accountant experienced in arbitrage rebate matters with respect to municipal bonds as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Transfer. Within 55 days of the end of each fifth Bond Year (commencing within 55 days after September 1, 2029), upon the Written Request of the Community Facilities District, an amount shall be deposited to the Rebate Fund by the Trustee from any Net Special Tax Revenues legally available for such purpose (as specified by the Community Facilities District in the aforesaid Written Request), if and to the extent required, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon Written Request of the Community Facilities District, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Special Tax Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed by Written Request of the Community Facilities District, to the United States Treasury, out of amounts in the Rebate Fund:

(A) Not later than 60 days after the end of: (X) the fifth Bond Year; and (Y) 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; and

(B) Not later than 60 days after the payment of all of the Bonds, 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 and Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Community Facilities 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) 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 (prepared by the Community Facilities District), or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and the payments described in subsection (a) above being made may be withdrawn by the Community Facilities District and utilized in any manner by the Community Facilities District.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Bonds.

Section 5.07. Administrative Expense Fund.

(a) The Trustee shall establish and maintain a special fund designated the “Administrative Expense Fund.” The Trustee shall deposit in the Administrative Expense Fund the amounts transferred from the Special Tax Fund and required to be deposited therein pursuant to Section 5.02.

(b) The moneys in the Administrative Expense Fund shall be used and withdrawn by the Trustee from time to time to pay the Administrative Expenses upon submission of a Written Request of the Community Facilities District stating: (i) the Person to whom payment is to be made; (ii) the amount to be paid; (iii) the purpose for which the obligation was incurred and that such purpose constitutes an Administrative Expense; (iv) that such payment is a proper charge against the Administrative Expense Fund; and (v) that such amounts have not been the subject of a prior disbursement from the Administrative Expense Fund; in each case together with a statement or invoice for each amount requested thereunder.

Section 5.08. Investment of Moneys.

(a) Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in a Written Request of the Community Facilities District received by the Trustee no later than two Business Days prior to the making of such investment. Moneys in all such funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture; provided, however, that Permitted Investments in which moneys in the Reserve Fund are so invested shall mature no later than the earlier of five years from the date of investment or the final maturity date of the Bonds and, provided, further, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. Absent a timely Written Request of the Community Facilities District with respect to the investment of moneys in any of the funds or accounts established pursuant to this Indenture held by the Trustee, the Trustee shall invest such moneys in Permitted Investments described in paragraph (6) of the definition thereof;

provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Written Request of the Community Facilities District specifying a specific money market fund and, if no such Written Request of the Community Facilities District is so received, the Trustee shall hold such moneys uninvested.

(b) Subject to the provisions of Section 5.06, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture (other than the Reserve Fund) shall be retained therein. Subject to the provisions of Section 5.06, all interest, profits or other income received from the investment of moneys in the Reserve Fund shall be deposited in the Bond Fund; provided, however, that, notwithstanding the foregoing, any such transfer shall be made only if and to the extent that, after such transfer, the amount on deposit in the Reserve Fund is at least equal to the Reserve Requirement.

(c) Permitted Investments acquired as an investment of moneys in any fund or account established under this Indenture shall be credited to such fund or account. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund or account shall be valued by the Trustee at the market value thereof (without regard to costs incurred in the acquisition or disposition thereof, including breakage, unwind or other similar fees), such valuation to be performed not less frequently than semiannually on or before each February 15 and August 15. To the extent of any valuations to be made by the Trustee hereunder, the Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system. Any Permitted Investment that is a registrable security shall be registered in the name of the Trustee.

(d) The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Community Facilities District, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments are credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder. The Trustee, in making or disposing of any investment permitted by this Section, may deal with itself (in its individual capacity) or with 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 a principal for its own account.

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

ARTICLE VI

COVENANTS

Section 6.01. Collection of Special Tax Revenues.

(a) The Community Facilities District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

(b) Prior to August 1 of each year, the Community Facilities District shall ascertain from the County Assessor the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. The Community Facilities District shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance Levying Special Taxes by each August 10, or otherwise such that the computation of the levy is complete before the final date on which the County Auditor will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Community Facilities District shall prepare or cause to be prepared, and shall transmit to the County Auditor, such data as the County Auditor requires in order to include the levy of the Special Taxes on the next real property tax roll.

(c) The Community Facilities District shall fix and levy the amount of Special Taxes within the Community Facilities District in each Fiscal Year in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the maximum Special Tax that may be levied, in an amount sufficient to yield Special Tax Revenues in the amount required for: (i) the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the Corresponding Bond Year; (ii) any necessary replenishment of the Reserve Fund; and (iii) the payment of Administrative Expenses estimated to be paid from such Special Tax Revenues, taking into account the balances in the funds and accounts established hereunder.

(d) The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable (or in such other manner as the City Council shall determine, including direct billing of the affected property owners), and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the *ad valorem* taxes on real property.

Section 6.02. Foreclosure. Pursuant to Section 53356.1 of the Act, the Community Facilities District hereby covenants with and for the benefit of the Owners that it will determine or cause to be determined, no later than August 15 of each year, whether or not any owners of property within the Community Facilities District are delinquent in the payment of Special Taxes and, if such delinquencies exist, the Community Facilities District will deliver or cause to be delivered no later than October 1 a notice of delinquency (and a demand for immediate payment thereof) to such owners of property and, if a delinquency remains uncured, the Community Facilities District will order and cause to be commenced, no later than 60 days after the delivery of such notice, and thereafter diligently prosecute, an action in the superior court to foreclose the

lien of any Special Taxes or installment thereof not paid when due; provided, however, that the Community Facilities District shall not be required to order the commencement of foreclosure proceedings if: (a) the total Special Tax delinquency in the Community Facilities District for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year; and (b) the amount then on deposit in the Reserve Fund is equal to the Reserve Requirement. Notwithstanding the foregoing, if the Community Facilities District determines that any single property owner in the Community Facilities District is delinquent in excess of \$10,000 in the payment of the Special Tax, then the Community Facilities District shall deliver or cause to be delivered a notice of delinquency (and a demand for immediate payment thereof) to such property owner and, if a delinquency remains uncured for 60 days, diligently institute, prosecute and pursue foreclosure proceedings against such property owner.

Anything in this Indenture to the contrary notwithstanding, in certain instances the amount of a Special Tax delinquency on a particular parcel in relation to the cost of appropriate foreclosure proceedings may be such that the amount of the delinquency does not warrant the foreclosure proceedings' costs. In such cases, foreclosure proceedings may, in the Community Facilities District's discretion, be delayed by the Community Facilities District until there are sufficient Special Tax delinquencies accruing to such parcel (including interest and penalties thereon) to warrant the foreclosure proceedings' costs.

Section 6.03. Compliance With Act. The Community Facilities District shall comply with all applicable provisions of the Act.

Section 6.04. Punctual Payment. The Community Facilities District shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Net Special Tax Revenues and other assets pledged for such payment as provided in this Indenture and received by the Community Facilities District or the Trustee.

Section 6.05. Extension of Payment of Bonds. The Community Facilities District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Community Facilities District to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.06. Against Encumbrances; Defense of Pledge. The Community Facilities District shall not create, or permit the creation of, any pledge of, lien on, security interest in or charge or other encumbrance upon the assets pledged under this Indenture, except as permitted hereby. The Community Facilities District shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of such assets, and the lien thereon and security interest therein created hereby, against all claims and demands of all Persons whomsoever.

Section 6.07. Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the Series 2024 Bonds will not be adversely affected for federal income tax purposes, the Community Facilities District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income with respect to the Series 2024 Bonds, and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) **Private Activity.** The Community Facilities District will not take any action or refrain from taking any action or make any use of the proceeds of the Series 2024 Bonds or of any other moneys or property which would cause the Series 2024 Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) **Arbitrage.** The Community Facilities District will make no use of the proceeds of the Series 2024 Bonds or of any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action which would cause the Series 2024 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) **Federal Guarantee.** The Community Facilities District will make no use of the proceeds of the Series 2024 Bonds and will not take or omit to take any action that would cause the Series 2024 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) **Information Reporting.** The Community Facilities 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 necessary to preserve the exclusion of interest on the Series 2024 Bonds pursuant to Section 103(a) of the Code;

(e) **Hedge Bonds.** The Community Facilities District will make no use of the proceeds of the Series 2024 Bonds or any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action that would cause the Series 2024 Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Community Facilities 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 of interest on the Series 2024 Bonds for federal income tax purposes; and

(f) **Miscellaneous.** The Community Facilities District will not take any action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the Community Facilities District from causing the issuance of obligations subordinate to the Bonds, the interest with respect to which has been determined by an opinion of Bond Counsel to be subject to federal income taxation.

Section 6.08. Non-Cash Payments of Special Taxes. The Community Facilities District shall not authorize owners of taxable parcels within the Community Facilities District to satisfy Special Tax obligations by the tender of Bonds unless the Community Facilities District shall have

first obtained a report of an Independent Consultant certifying that doing so would not result in the Community Facilities District having insufficient Special Tax Revenues to pay the principal of and interest on all Outstanding Bonds when due.

Section 6.09. Reduction in Special Taxes. The Community Facilities District shall not initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the security for the Bonds. If an initiative is adopted that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, the Community Facilities District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds.

Section 6.10. Continuing Disclosure. The Community Facilities District shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate applicable to it. Notwithstanding any other provision of this Indenture, failure of the Community Facilities District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2024 Bonds, and upon receipt of indemnification reasonably satisfactory to the Trustee, shall) or any Owner or Beneficial Owner of the Series 2024 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.11. Accounting Records. The Community Facilities District shall keep or cause to be kept appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Special Taxes, which records shall be available for inspection by the Trustee at reasonable hours and under reasonable conditions.

Section 6.12. State Reporting. If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal of or interest on the Bonds, the Trustee shall notify the Community Facilities District in writing of such failure or withdrawal, and the Community Facilities District shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal within ten days of the failure to make such payment or the date of such withdrawal.

Section 6.13. Annual Reports to the California Debt and Investment Advisory Commission. Not later than October 30 of each year, commencing October 30, 2024 and continuing until the October 30 following the final maturity of the Bonds, the Community Facilities District shall supply to the California Debt and Investment Advisory Commission the information required to be provided thereto pursuant to Section 53359.5(b) of the Act. Such information shall be made available to any Owner upon written request to the Community Facilities District accompanied by a fee determined by the Community Facilities District to pay the costs of the Community Facilities District in connection therewith. The Community Facilities District shall in no event be liable to any Owner or any other person or entity in connection with any error in any such information.

Section 6.14. Further Assurances. The Community Facilities 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 rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The following events shall be Events of Default:

(a) failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise;

(b) failure to pay any installment of interest on any Bonds when and as the same shall become due and payable;

(c) failure by the Community Facilities District to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Community Facilities District by the Trustee, or to the Community Facilities District and the Trustee by the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that, if in the reasonable opinion of the Community Facilities District the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Community Facilities District within such 30 day period and the Community Facilities District shall thereafter diligently and in good faith cure such failure in a reasonable period of time; or

(d) the commencement by the Community Facilities District of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. Foreclosure. If an Event of Default shall occur under Section 7.01(a) or Section 7.01(b) then, and in each and every such case during the continuance of such Event of Default, the Trustee may, or at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, and upon being indemnified to its satisfaction therefor, shall, commence foreclosure against any parcels of land in the Community Facilities District with delinquent Special Taxes, as provided in Section 53356.1 of the Act.

Section 7.03. Other Remedies. If an Event of Default shall have occurred and be continuing, the Trustee shall have the right:

(a) by mandamus, suit, action or proceeding, to compel the Community Facilities District and its officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any

or all such covenants and agreements of the Community Facilities District and the fulfillment of all duties imposed upon it by this Indenture and the Act;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the rights of the Trustee or the Owners; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Community Facilities District and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.05. Application of Net Special Tax Revenues After Default. If an Event of Default shall occur and be continuing, all Net Special Tax Revenues and any other funds thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

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

(b) to the payment of the principal and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

First: to the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference;

(c) any remaining funds shall be transferred by the Trustee to the Special Tax Fund.

Section 7.06. Power of Trustee To Enforce. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.07. Owners' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee; provided, however, that such direction shall not be otherwise than in accordance the provisions of this Indenture, the Act and other applicable law and, provided, further, that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

Section 7.08. Limitation on Owners' Right To Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Act or any other applicable law with respect to such Bond, unless: (a) such Owner shall have 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 the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or said Owners shall have tendered to the Trustee indemnity reasonably satisfactory 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 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

Section 7.09. Absolute Obligation. Nothing contained in this Indenture or the Bonds shall affect or impair the obligation of the Community Facilities District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Net Special Tax Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.10. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners, then in every such case the Community Facilities District, the Trustee and the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Community Facilities District, the Trustee and the Owners shall continue as though no such proceedings had been taken.

Section 7.11. No Waiver of Default. No delay or omission of the Trustee or of any Owner to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by this Indenture to the Trustee or to the Owners may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

TRUSTEE

Section 8.01. Duties and Liabilities of Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, 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 would exercise or use under the circumstances in the conduct of such person's own affairs.

Section 8.02. Qualifications; Removal and Resignation; Successors.

(a) The Trustee initially a party hereto and any successor thereto shall at all times be a trust company, national banking association or bank having trust powers in good standing in or incorporated under the laws of the United States or any state thereof, having (or if such trust company, national banking association or bank is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by a federal or state agency. If such trust company, national banking association or bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such trust company, national banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Community Facilities District may, by an instrument in writing, upon at least 30 days' notice to the Trustee, remove the Trustee initially a party hereto and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party hereto and any successor thereto if (i) at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a

majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), or (ii) the Trustee shall cease to be eligible in accordance with subsection (a) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee.

(c) The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the Community Facilities District, and to the Owners at the respective addresses shown on the Registration Books. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of subsection (a) of this Section, the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(d) Upon removal or resignation of the Trustee, the Community Facilities District shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that any successor Trustee shall be qualified as provided in subsection (a) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following notice of removal or notice of resignation as aforesaid, the removed or resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any 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 such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all of the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Community Facilities District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the successor Trustee shall, within 15 days after such acceptance, mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to the Owners at the addresses shown on the Registration Books.

(e) Any trust company, national banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated or any trust company, national banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, national banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such trust company, national banking association or bank shall be eligible under subsection (a) of this Section, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee.

(a) The recitals of facts contained herein and in the Bonds shall be taken as statements of the Community Facilities District, and the Trustee shall not assume responsibility for the correctness of the same or incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds.

(b) The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds, or in respect of the security afforded by this Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value, the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or the application of any moneys paid to the Community Facilities District or others in accordance with this Indenture.

(c) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(d) No provision of this Indenture or any other document related hereto shall require the Trustee to risk or advance its own funds.

(e) The Trustee may execute any of its powers or duties hereunder through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents or receivers if selected by it with reasonable care.

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

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

(h) Before taking action under Article VII, under this Article or upon the direction of the Owners, the Trustee may require indemnity satisfactory to the Trustee be furnished to it to protect it against all fees and expenses, including those of its attorneys and advisors, and protect it against all liability it may incur.

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the 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.

(j) The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any

committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(k) 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.

(l) The Trustee shall not be liable for the failure to take any action required to be taken by it hereunder if and to the extent that the Trustee's taking such action is prevented by reason of an act of God, terrorism, war, riot, strike, fire, flood, earthquake, epidemic or other, similar occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care.

(m) The Trustee shall not be deemed to have knowledge of an Event of Default hereunder unless it has actual knowledge thereof.

(n) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

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

Section 8.04. Right To Rely on Documents and Opinions.

(a) The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Whenever in the administration of the duties imposed upon it by 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 Community Facilities District, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

(c) The Trustee may consult with counsel, who may be counsel to the Community Facilities District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Section 8.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all

transactions made by it relating to the proceeds of the Bonds, the Special Tax Revenues received by it and all funds and accounts established by it pursuant to this Indenture. Such books of record and account shall be available for inspection by the Community Facilities District during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the Community Facilities District a monthly accounting of the funds and accounts it holds under this Indenture; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that: (a) has a balance of zero; and (b) has not had any activity since the last reporting date.

Section 8.06. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during business hours and upon reasonable notice to the inspection of the Community Facilities District, the Owners and their agents and representatives duly authorized in writing.

Section 8.07. Compensation and Indemnification. The Community Facilities District shall pay to the Trustee from time to time from Special Tax Revenues all reasonable compensation pursuant to a pre-approved fee letter for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees pursuant to a pre-approved fee letter and other disbursements pursuant to a pre-approved fee letter and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. The Community Facilities District shall, to the extent permitted by law, from Special Tax Revenues, indemnify and save the Trustee harmless against any costs, claims, expenses (including fees and expenses of its counsel) and liabilities which it may incur in the exercise and performance of its powers and duties hereunder, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. The duty of the Community Facilities District to indemnify the Trustee shall survive the resignation or removal of the Trustee and the termination and discharge of this Indenture.

Section 8.08. City Provisions. The Trustee acknowledges that the Standard Provisions for City Contracts attached hereto as Exhibit C are hereby incorporated herein by reference as though fully set forth herein.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.01. Supplemental Indentures.

(a) This Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners hereunder may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into when there are filed with the Trustee the written consents of the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 11.07. No such modification or amendment shall: (i) extend the fixed maturity of any Bond, reduce the amount of principal thereof or the rate of interest thereon, extend the time of payment thereof or alter the redemption provisions thereof, without the consent of the Owner of each Bond so affected; (ii) permit any pledge of, or the creation of any

lien on, security interest in or charge or other encumbrance upon the assets pledged under this Indenture prior to or on a parity with the pledge contained in, and the lien and security interest created by, this Indenture or deprive the Owners of the pledge contained in, and the lien and security interest created by, this Indenture, except as expressly provided in this Indenture, without the consent of the Owners of all of the Bonds then Outstanding; or (iii) modify or amend this Section without the prior written consent of the Owners of all Bonds then Outstanding.

(b) This Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners hereunder may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Owners for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Community Facilities District contained in this Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Community Facilities District;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Indenture, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners hereunder;

(iii) to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect;

(iv) to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(v) in any other respect whatsoever as the Community Facilities District may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners hereunder.

(c) Promptly after the execution by the Community Facilities District and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Community Facilities District), by first-class mail, postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Community Facilities District, the Trustee and the Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the effective date of any Supplemental Indenture pursuant to this Article may and, if the Community Facilities District so determines, shall bear a notation by endorsement or otherwise in form approved by the Community Facilities District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date and presentation of such Bond for such purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Community Facilities District and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Community Facilities District and authenticated by the Trustee and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Trustee, such a new Bond in equal principal amount of the same Series, interest rate and maturity shall be exchanged for such Owner's Bond so surrendered.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Owner from accepting any amendment or modification as to any particular Bond owned by it, provided that due notation thereof is made on such Bond.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture.

(a) If the Community Facilities District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets as provided herein, and all agreements, covenants and other obligations of the Community Facilities District hereunder shall thereupon cease, terminate and become void and this Indenture shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Community Facilities District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Community Facilities District all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of subsection (a) of this Section, when any Bond shall have been paid and if, at the time of such payment, the Community Facilities District shall have kept, performed and observed all of the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets as provided herein, and all agreements, covenants and other obligations of the Community Facilities District hereunder shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of this Indenture or the discharge and satisfaction of this Indenture in respect of any Bond, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of such Bond, and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on such Bond, and to pay to the Owner of such Bond the funds so held by the Trustee as and when such payment becomes due.

Section 10.02. Bonds Deemed To Have Been Paid.

(a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Community Facilities District shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.02 notice of redemption of such Bond on said redemption date, said notice to be given in accordance with Section 4.02; (ii) there shall have been deposited with the Trustee either: (A) money in an amount which shall be sufficient; or (B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, together with the money, if any, deposited therewith, will provide moneys which shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond; and (iii) in the event that such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Community Facilities District shall have given the Trustee, in form satisfactory to it, irrevocable instructions to mail as soon as practicable, a notice to the Owner of such Bond that the deposit required by clause (ii) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond.

(b) No Bond shall be deemed to have been paid pursuant to clause (ii) of subsection (a) of this Section unless the Community Facilities District shall have caused to be delivered to the Community Facilities District and the Trustee: (i) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Community Facilities District and the Trustee, in form and in substance acceptable to the Community Facilities District and the Trustee; (ii) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (ii)(B) of subsection (a) of this Section resulting in such deemed payment, which escrow agreement shall be in form and in substance acceptable to the Community Facilities District and the Trustee and which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report, and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report;

and (iii) a copy of an opinion of Bond Counsel, dated the date of such deemed payment and addressed to the Community Facilities District and the Trustee, in form and in substance acceptable to the Community Facilities District and the Trustee, to the effect that such Bond has been paid within the meaning and with the effect expressed in this Indenture, this Indenture has been discharged in respect of such Bond and all agreements, covenants and other obligations of the Community Facilities District hereunder as to such Bond have ceased, terminated, become void and been completely discharged and satisfied.

Section 10.03. Unclaimed Moneys. Any moneys held by the Trustee in trust for the payment and discharge of the principal of, or premium or interest on, any Bond which remain unclaimed for two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, premium or interest become payable, shall be repaid by the Trustee to the Community Facilities District as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owner of such Bond shall look only to the Community Facilities District for the payment of such principal, premium or interest.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Community Facilities District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all of the covenants and agreements contained in this Indenture which are required to be performed by or on behalf of the Community Facilities District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.02. Limitation of Rights. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Trustee, the Community Facilities District and the Owners any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision contained herein or therein, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the Community Facilities District and the Owners.

Section 11.03. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Community Facilities District of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds.

Section 11.04. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Community Facilities District hereby declares that it would have entered into this Indenture

and each and every other Section, subsection, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.05. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Community Facilities District:

City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1)
c/o City of Los Angeles
Office of the City Administrative Officer
City Hall East
200 North Main Street, Room 1500
Los Angeles, California 90012
Attention: Debt Management Group

If to the Trustee:

U.S. Bank Trust Company, National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust
Reference: City of Los Angeles CFD 4 (Playa Vista – Phase 1) 2024 Bonds

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed: (a) if given by courier or delivery service or if personally served or delivered, upon delivery; (b) if given by telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment; (c) if given by electronic mail, on the date sent, but only if confirmation of the receipt of such electronic mail is received or if notice is concurrently sent by another means specified herein; (d) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail; or (e) if given by any other means, upon delivery at the address specified in this Section.

Section 11.06. Evidence of Rights of Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Community Facilities District if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Community Facilities District in accordance therewith or reliance thereon.

Section 11.07. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Community Facilities District, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Community Facilities District shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 11.08. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners entitled thereto, subject, however, to the provisions of Section 10.03 but without any liability for interest thereon.

Section 11.09. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with prudent corporate trust industry standards to the extent practicable, and with due regard for the requirements hereof and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish any such additional funds or accounts as it deems necessary to perform its obligations hereunder.

Section 11.10. Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture and, unless otherwise specifically provided in this Indenture, no interest shall accrue for the period from and after such nominal date.

Section 11.11. Waiver of Personal Liability. No member, officer, agent or employee of the Community Facilities District or the City shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by any applicable provision of law or by this Indenture.

Section 11.12. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections,” “Exhibits,” paragraphs, clauses and other subdivisions are to the corresponding Articles, Sections, Exhibits, paragraphs, clauses or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

(d) References herein to a document shall include all amendments, supplements or other modifications to such document, and any replacement, substitutions or novation of, that document.

(e) The use herein of the words “including” and “includes,” and words of similar import, shall be deemed to be followed by the phrase “without limitation.”

Section 11.13. Conflict With Act. In the event of any conflict between any provision of this Indenture and any provision of the Act, the provision of the Act shall prevail over the provision of this Indenture.

Section 11.14. Conclusive Evidence of Regularity. Bonds issued pursuant to this Indenture shall constitute evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.15. Governing Laws. This Indenture shall be governed by and construed in accordance with the laws of the State.

Section 11.16. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Community Facilities District has caused this Indenture to be signed in its name by its representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT
NO. 4 (PLAYA VISTA – PHASE 1)**

By signing below, the signatory attests that they have no personal, financial, beneficial or familial interest in this contract.

By: _____
[Benjamin Ceja], [Assistant City Administrative Officer]

ATTEST:

By: _____
Holly L. Wolcott, City Clerk

APPROVED AS TO FORM:

HYDEE FELDSTEIN SOTO, CITY ATTORNEY

By: _____
[_____, Assistant City Attorney]

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

By: _____
_____, Authorized Officer

EXHIBIT A

PERMITTED INVESTMENTS

“Permitted Investments” means the following:

(1) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America);

(2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- 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
- Federal Financing Bank;

(3) 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)
- Senior debt obligations of the Federal Home Loan Bank System;

(4) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase; (ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;

(6) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P, including a fund for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services;

(7) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of 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

(a) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or

(b) (i) 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 (2) 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 (ii) 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;

(8) Municipal obligations rated “Aaa/AAA” or general obligations of states with a rating of “A2/A” or higher by both Moody’s and S&P;

(9) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “Aa3” by Moody’s and “AA-” by S&P; provided, that, by the terms of the investment agreement:

(a) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice;

(b) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(c) the Trustee or the Community Facilities District receive the opinion of domestic counsel that such investment agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);

(d) the investment agreement shall provide that if during its term: (i) the provider’s rating by either Moody’s or S&P falls below “Aa3” or “AA-,” respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either: (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider’s books) to the Trustee or a holder of the collateral, collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to Moody’s and S&P to maintain an “A” rating in an “A” rated structured financing (with a market value approach); or (B) repay the principal of and accrued but unpaid interest, on the investment; and (ii) the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A3” or “A-,” respectively, the provider must, at the direction of the Community Facilities District

or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee;

(e) the investment agreement shall state, and an opinion of counsel shall be rendered, in the event that collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of collateral is in possession); and

(f) the investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Community Facilities District or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee; and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee.

EXHIBIT B

FORM OF SERIES 2024 BOND

No. _____

\$ _____

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4
(PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BOND, SERIES 2024**

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

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

The City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “Community Facilities District”), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof payable semiannually on March 1 and September 1 in each year, commencing March 1, 2025 (the “Interest Payment Dates”), until payment of such Principal Amount in full.

This Bond is one of a series of a duly authorized issue of bonds approved by the qualified electors of the Community Facilities District, pursuant to the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code (the “Act”), and issued for the purpose of refunding certain previously issued bonds of the Community Facilities District, and is one of the series of bonds designated “City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024” (the “Series 2024 Bonds”) in the aggregate principal amount of \$____. The Series 2024 Bonds are issued pursuant to the Indenture, dated as of September 1, 2024 (the “Indenture”), by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (said entity or any successor thereto as trustee under the Indenture, 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 entered into, and this Bond is issued under, the Act and the laws of the State of California. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

Interest on the Series 2024 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless: (i) a Series 2024 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in

which event interest thereon shall be payable from such Interest Payment Date; (ii) a Series 2024 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date; or (iii) interest on any Series 2024 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for.

Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2024 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Series 2024 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2024 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date. The principal of the Series 2024 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

The Bonds are special obligations of the Community Facilities District, payable, as provided in the Indenture, solely from Net Special Tax Revenues and the other assets pledged therefor thereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth in the Indenture), the City of Los Angeles or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Pursuant to and as more particularly provided in the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act, the Community Facilities District pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Said pledge constitutes a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Community Facilities District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

The Series 2024 Bonds are subject to redemption on the dates, at the Redemption Prices and pursuant to the terms set forth in the Indenture. Notice of redemption of any Series 2024 Bond or any portion thereof shall be given as provided in the Indenture.

The Series 2024 Bonds are issuable as fully-registered Bonds without coupons in Authorized Denominations (\$5,000 and any integral multiple thereof).

Any Series 2024 Bond may be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Series 2024 Bond to the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Series 2024 Bond or Series 2024 Bonds shall be so surrendered for transfer, the Community Facilities District shall execute and the Trustee shall authenticate and shall deliver a new Series 2024 Bond or Series 2024 Bonds of the same maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The Series 2024 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2024 Bonds of the same maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners may be modified or amended in the manner, to the extent, and upon the terms provided in the Indenture.

The Indenture contains provisions permitting the Community Facilities District to make provision for the payment of the principal of and the interest and premium, if any, on any of the Bonds so that such Bonds shall no longer be deemed to be Outstanding under the terms of the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL because the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the Community Facilities District has caused this Bond to be signed in its name and on its behalf by the manual signature of the President of the Council of the City of Los Angeles attested by the manual signature of the City Clerk or a Deputy City Clerk of the City of Los Angeles, all as of the Dated Date identified above.

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT
NO. 4 PLAYA VISTA – PHASE 1)**

By: _____
President of the Council of the
City of Los Angeles

ATTEST:

By: _____
Holly L. Wolcott, City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2024 Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: September __, 2024

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

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____, whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Note: The signature(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 C

STANDARD PROVISIONS FOR CITY CONTRACTS

The Trustee agrees to be subject to the following provisions unless otherwise exempt from any of such provisions or unless any of such provisions are not applicable as a matter of law.

Section 1. Independent Contractor. The Trustee is an independent contractor and not an agent or employee of the District or the City. The Trustee shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees or agents to be an agent or employee of the District or the City.

Section 2. Retention of Records, Audits and Reports. The Trustee shall maintain all records, including records of financial transactions, pertaining to the performance of this Indenture, in their original form or as otherwise approved by the District. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by the District; (2) the expiration of this Indenture; or (3) termination of this Indenture. The records will be subject to examination and audit by authorized District personnel, City personnel or the District's representatives at any time. The Trustee shall provide any reports requested by the District regarding performance of this Indenture. Any subcontract entered into by the Trustee for work to be performed under this Indenture must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, the Trustee may, upon the District's written approval, submit the required information to the District in an electronic format, e.g. USB flash drive, at the expiration or termination of this Indenture.

Section 3. Taxpayer Identification Number ("TIN") and Withholding Taxes. The Trustee declares that it has an authorized TIN which will be provided to the District on Form W-9 or such equivalent form prior to payment under the Indenture. Payments made under the Indenture shall be subject to any federal or state taxes as may be required to be withheld pursuant to any applicable law or regulation, unless otherwise exempted by such applicable law, regulations, or other evidence of exemption.

Section 4. Warranty and Responsibility of the Trustee. The Trustee warrants that the work performed under the Indenture shall be completed in a manner consistent with professional standards practiced among those firms within the Trustee's profession, doing the same or similar work under the same or similar circumstances.

Section 5. Mandatory Provisions Pertaining to Non-Discrimination in Employment.

Unless otherwise exempt, this Indenture is subject to the applicable non-discrimination, equal employment practices, and affirmative action program provisions in the Los Angeles Administrative Code ("LAAC") Section 10.8 *et seq.*, as amended from time to time.

A. The Trustee shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Indenture, the Trustee shall not discriminate in any of its hiring or employment practices against any employee or

applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.

- B. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Indenture by reference and will be known as the "Equal Employment Practices" provisions of this Indenture.
- C. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Indenture by reference and will be known as the "Affirmative Action Program" provisions of this Indenture.

Any subcontract entered into by the Trustee for work to be performed under this Indenture must include an identical provision.

Section 6. Child Support Assignment Orders. The Trustee shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the Trustee (and any subcontractor of the Trustee providing services to the District under this Indenture) shall: (1) fully comply with all State and Federal employment reporting requirements for the Trustee's or the subcontractor's employees; (2) certify that the principal owner(s) of the Trustee and applicable subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 *et seq.*; and (4) maintain such compliance throughout the term of this Indenture.

Failure of the Trustee or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the Trustee or applicable subcontractor to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the Trustee under this Indenture. Failure of the Trustee or applicable subcontractor or principal owner to cure the default within 90 days of the notice of default will subject this Indenture to termination for breach. Any subcontract entered into by the Trustee for work to be performed under this Indenture must include an identical provision.

Section 7. Access and Accommodations.

The Trustee represents and certifies that:

- A. The Trustee shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 *et seq.*, the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 *et seq.*, the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. The Trustee shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;

- C. The Trustee shall provide reasonable accommodation upon request to ensure equal access to City-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Indenture are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The Trustee understands that the District is relying upon these certifications and representations as a condition to funding this Indenture. Any subcontract entered into by the Trustee for work to be performed under this Indenture must include an identical provision.

Section 8. Contractor Responsibility Ordinance. The Trustee shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 *et seq.*, as amended from time to time.

Section 9. Restrictions on Campaign Contributions and Fundraising in City Elections. Unless otherwise exempt, if this Indenture is valued at \$100,000 or more and requires approval by an elected City office, the Trustee, the Trustee's principals, and the Trustee's subcontractors expected to receive at least \$100,000 for performance under this Indenture, and the principals of those subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and Los Angeles Municipal Code ("LAMC") Section 49.7.35. Failure to comply entitles the District to terminate this Indenture and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected City officials or candidates for elected City office for twelve months after this Indenture is signed. Additionally, a contractor (i.e., the Trustee) subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any contractor (i.e., the Trustee) subject to Charter Section 470(c)(12) shall include the following notice in any contract with any subcontractor to receive at least \$100,000 for performance under this Indenture:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections.

You are a subcontractor in connection with the Indenture, dated as of September 1, 2024 (the "**Indenture**"), by and between the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the "Community Facilities District") and U.S. Bank Trust Company, National Association, as the Trustee. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles officials and candidates for elected City office for twelve months after the Indenture is signed. You are required to provide the names and contact information of your principals to the Trustee and to amend that information within ten business days if

it changes during the twelve-month time period. Failure to comply may result in termination of the Indenture and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

Section 10. Contractor’s Use of Criminal History for Consideration of Employment Applications. The Trustee shall comply with the City’s “Contractor Use of Criminal History for Consideration of Employment Applications” Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the Trustee for work to be performed under this Indenture must include an identical provision.

Attachment D

Escrow Agreement

ESCROW AGREEMENT

by and between

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4
(PLAYA VISTA – PHASE 1)**

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS ESCROW AGENT AND PRIOR TRUSTEE**

Dated as of September 1, 2024

**Relating to
City of Los Angeles
Community Facilities District No. 4
(Playa Vista – Phase 1)
Special Tax Refunding Bonds, Series 2014**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of September 1, 2024 (the “**Escrow Agreement**”), by and between City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “**District**”), and U.S. Bank Trust Company, National Association, as escrow agent (the “**Escrow Agent**”) and as Prior Trustee (as such term is defined herein), is entered into in accordance with a resolution of the City Council of the City of Los Angeles, acting as the legislative body of the District, adopted on August __, 2024, and an 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**”), to refund all of the outstanding City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2014 (as shown on Schedule B, the “**Prior Bonds**”), which were issued pursuant to an Indenture, dated as of August 1, 2014 (the “**Prior Indenture**”), by and between the District and U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association (the “**Prior Trustee**”). Capitalized terms that are used herein and not defined have the meanings that are ascribed to such terms in the Prior Indenture.

RECITALS

A. Pursuant to the Prior Indenture, the District has previously issued the Prior Bonds in the aggregate principal amount of \$81,200,000, of which \$45,845,000 is currently outstanding.

B. The District has determined to issue its City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024 in the aggregate principal amount of \$_____ (the “**2024 Bonds**”), a portion of the proceeds of which will be used, together with other moneys as described in Section 1, to pay on December __, 2024 (the “**Redemption Date**”) the principal of the Prior Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium.

C. The District will irrevocably deposit moneys with the Escrow Agent, which moneys will be used to purchase the securities that are described on Schedule A (the “**Federal Securities**”) as permitted by, in the manner prescribed by and all in accordance with the Prior Indenture. Such Federal Securities constitute Defeasance Securities under Section 10.02(a)(ii)(B) of the Prior Indenture, and the principal of and interest on such Federal Securities when paid, together with any uninvested amounts held in the Escrow Fund (as such term is defined herein), will provide money which will be fully sufficient to pay and discharge the Prior Bonds on the Redemption Date.

AGREEMENT

SECTION 1. Deposit of Moneys. The District will cause the Trustee to transfer a portion of the proceeds of the 2024 Bonds in the amount of \$_____ on the date of issuance of the 2024 Bonds to the Escrow Agent for deposit in the Escrow Fund established hereunder. In addition, on the date of issuance of the 2024 Bonds, the District will cause the Prior Trustee to transfer: (i) \$_____ held in the Reserve Fund established under the Prior Indenture; (ii) \$_____ held in the Redemption Fund established under the Prior Indenture; and (iii) \$_____ held in the Interest Account of the Bond Fund established under the Prior Indenture, all to the Escrow Agent

for deposit in the Escrow Fund, [and the District will transfer cash in the amount of \$ _____ to the Escrow Agent for deposit in the Escrow Fund], for a total of \$ _____ to be transferred to the Escrow Agent on or before the date of issuance of the 2024 Bonds, to be applied as provided herein.

The Escrow Agent will hold such amounts in an irrevocable escrow separate and apart from other moneys of the District and the Escrow Agent in a fund hereby created and established to be known as the “**Escrow Fund**” and to be applied solely as provided in this Escrow Agreement. The Escrow Fund is established for the purpose of refunding the Prior Bonds and, for purposes of Section 53363.5 of the Mello-Roos Community Facilities Act of 1982, and shall be deemed to be a fund in the treasury of the City of Los Angeles. The District represents that the sum of the amounts set forth above are at least equal to an amount that is sufficient to purchase the Federal Securities listed on Schedule A and to hold \$ _____ uninvested as cash.

Amounts on deposit in the Escrow Fund are hereby pledged and assigned solely to the payment of the principal and interest of the Prior Bonds coming due on the Redemption Date, which amounts shall be held in trust by the Escrow Agent for the benefit of the Owners of the Prior Bonds.

SECTION 2. Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees immediately to invest such moneys in the Federal Securities listed on Schedule A and to deposit such Federal Securities in the Escrow Fund and hold \$ _____ uninvested as cash in the Escrow Fund. Each of the Prior Trustee and the Escrow Agent shall be entitled to rely upon the conclusion of the report delivered by The Arbitrage Group, Inc., Buhl, Alabama (the “**Verification Agent**”) in connection herewith that the Federal Securities listed on Schedule A mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay, on the Redemption Date, the principal of the Prior Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the District, together with an unqualified opinion of Kutak Rock LLP to the effect that reinvestment is permitted under the legal documents in effect with respect to the Prior Bonds and will not have an adverse effect on the tax status of the Prior Bonds, the Escrow Agent shall reinvest any other amount of principal and interest, or any portion thereof, received from the Federal Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable Federal Securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, as directed in such written direction of the District and verified in a Verification Report (as such term is defined in the Prior Indenture) to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay, on the Redemption Date, the principal of the Prior Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section which is not required for the purposes set forth in Section 5, as verified in the letter of the Verification Agent originally obtained by the District with respect to the refunding of the Prior Bonds or in any other report prepared by an independent certified public accountant or firm of

certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions, shall be paid to the District promptly upon the receipt of such interest income by the Escrow Agent and written direction by the District. The determination of the District as to whether an accountant is qualified to deliver a Verification Report under this Escrow Agreement shall be conclusive. The Escrow Agent may conclusively rely upon the written instructions of the District as to both the suitability and legality of any investments directed hereunder, and upon any such opinion, letter and report, and shall have no responsibility or liability with respect thereto.

SECTION 4. Substitution of Securities. Upon the written request of the District, and subject to the conditions and limitations that are set forth herein and applicable governmental rules and regulations, the Escrow Agent shall sell, redeem or otherwise dispose of the Federal Securities (as so directed by the District), provided that there are substituted therefor from the proceeds of the Federal Securities other federal securities, but only after the District has obtained and delivered to the Escrow Agent: (i) an unqualified opinion of Kutak Rock LLP to the effect that the substitution of securities is permitted under the legal documents in effect with respect to the Prior Bonds and that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Prior Bonds; and (ii) a Verification Report to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay, on the Redemption Date, the principal of the Prior Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof, and may conclusively rely upon the written instructions of the District as to both the suitability and legality of any substituted investments directed hereunder, and upon any such opinion and report, and shall have no responsibility or liability with respect thereto

SECTION 5. Refunding of the Prior Bonds.

(a) Payment. From the maturing principal of the Federal Securities and the investment income and other earnings thereon and other moneys on deposit in the Escrow Fund, the Escrow Agent shall transfer funds to the Prior Trustee in an amount sufficient to enable the Prior Trustee to pay, on the Redemption Date, the principal of the Prior Bonds maturing after the Redemption Date, plus interest with respect thereto accrued through the Redemption Date, without premium, all as indicated on Schedule A.

(b) Irrevocable Instructions to Provide Notice. The notices that are required to be mailed pursuant to Sections 4.02 and 10.02(a) of the Prior Indenture are substantially in the forms attached hereto as Exhibits A and B. The District hereby irrevocably instructs the Prior Trustee: (i) to mail a notice of redemption of the Prior Bonds maturing after the Redemption Date substantially in the form attached hereto as Exhibit A at least 30 days prior to the Redemption Date to the parties described in and otherwise in accordance with Section 4.02 of the Prior Indenture (including The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA"), maintained on the Internet at <http://emma.msrb.org/>); and (ii) to mail a notice of defeasance of the Prior Bonds in the form attached hereto as Exhibit B on the date of issuance of the 2024 Bonds to the parties

described in and otherwise in accordance with Section 10.02(a) of the Prior Indenture (including EMMA), as required to provide for the payment and redemption of the Prior Bonds in accordance with this Section. The sole remedy for the Prior Trustee's failure to post such notices on EMMA shall be an action in mandamus by the holders of the Prior Bonds for specific performance or similar remedy to compel performance. The Escrow Agent, as Prior Trustee, agrees that such irrevocable instructions herein provided are in form satisfactory to it.

(c) Unclaimed Moneys. Any moneys in the Escrow Fund which remain unclaimed after the Redemption Date shall be repaid (without liability for interest) by the Escrow Agent to the District, and the Escrow Fund shall thereafter be closed.

(d) Priority of Payments. The owners of the Prior Bonds shall have a first and exclusive lien on all moneys and securities in the Escrow Fund until such moneys and such securities are used and applied as provided in this Escrow Agreement.

(e) Termination of Obligation. As provided in the Prior Indenture, upon deposit of moneys and Federal Securities with the Escrow Agent in the Escrow Fund as set forth in Section 1 hereof, receipt of the report of the Verification Agent as set forth in Section 2 hereof and an opinion of Bond Counsel pursuant to Section 10.02(b)(iii) of the Prior Indenture, receipt in satisfactory form of all of which the Escrow Agent and the Prior Trustee acknowledge: (i) the Prior Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the Prior Indenture; (ii) the Prior Indenture shall be discharged in respect of such Prior Bonds; and (iii) all agreements, covenants and other obligations of the District under the Prior Indenture as to such Prior Bonds shall have ceased, terminated, become void and been completely discharged and satisfied.

SECTION 6. Application of Certain Terms of the Prior Indenture. All of the terms of the Prior Indenture relating to notices to the Prior Trustee or the District, the making of payments of principal of and interest on the Prior Bonds and the exchange or transfer of the Prior Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The procedures set forth in Section 8.02 of the Prior Indenture relating to the resignation and removal and merger of the Prior Trustee under the Prior Indenture are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

SECTION 7. Performance of Duties. The Escrow Agent agrees to perform the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

SECTION 8. Escrow Agent's Authority to Make Investments. Except as provided in Sections 2, 3 and 4 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, transfer or otherwise dispose of the moneys or federal securities held hereunder.

SECTION 9. Indemnity. To the extent permitted by law, the District agrees to indemnify the Escrow Agent, its agents and its officers, directors, and employees for, and hold the Escrow Agent, its agents, officers, directors and employees harmless from and against, any

and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel for the Escrow Agent) which may be imposed on, incurred by, or asserted against the Escrow Agent at any time by reason of the performance of its duties as Escrow Agent hereunder in any transaction arising out of or related to this Escrow Agreement or any of the transactions contemplated herein, including, without limitation, the redemption of the Prior Bonds, unless due to the Escrow Agent's or its officers' or employees' or agents' negligence or willful misconduct. The Escrow Agent's rights to indemnification hereunder shall survive its resignation or removal and the termination of this Escrow Agreement.

SECTION 10. Responsibilities of the Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the retention of the Federal Securities therein, the sufficiency of the cash and securities deposited in the Escrow Fund to pay the Prior Bonds or any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact herein shall be taken as the statements of the District, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the moneys and securities deposited in the Escrow Fund to accomplish the refunding of the Prior Bonds or for the validity of this Escrow Agreement as to the District and, except as otherwise provided herein, the Escrow Agent shall incur no liability with respect thereto. The Escrow Agent shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Escrow Agreement. The Escrow Agent may consult with counsel experienced in the defeasance of municipal bonds, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein or the Prior Indenture as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of Bond Counsel) may be deemed to be conclusively established by a certificate signed by an authorized officer of the District. Whenever the Escrow Agent shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of Bond Counsel be proved or established prior to taking, suffering or omitting any such action, such matter may be established only by a certificate signed by a nationally recognized firm of certified public accountants or such opinion of Bond Counsel.

The liability of the Escrow Agent to make the payments required by this Escrow Agreement shall be limited to the moneys and securities in the Escrow Fund. No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties

hereunder, or in the exercise of its rights or powers. The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent 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 Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

Notwithstanding the foregoing or anything to the contrary in this Escrow Agreement, the protections provided the Escrow Agent shall not apply in the event of any actions arising from the negligence or willful misconduct of the Escrow Agent.

The Escrow Agent shall furnish the District with periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the District, provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that: (a) has a balance of \$0.00; and (b) has not had any activity since the last reporting date. Upon the District’s election, such statements will be delivered via the Escrow Agent’s online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of securities that is to be submitted pursuant to this Escrow Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the District with respect to escrowed funds which were to be invested in such securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the District. In the absence of investment instructions from the District, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the District’s selection of an alternative investment as a determination of the alternative investment’s legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 11. Amendments. This Escrow Agreement is made for the benefit of the District and the Owners of the Prior Bonds and it shall not be repealed, revoked, altered or

amended without the written consent of all such Owners, the Escrow Agent and the District; provided, however, that the District and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement as shall not materially adversely affect the rights of such Owners and as shall not be inconsistent with the terms and provisions of this Escrow Agreement or the Prior Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the Owners of the Prior Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Owners or the Escrow Agent; and (iii) to include under this Escrow Agreement additional funds or securities. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Kutak Rock LLP with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the Owners of the various Prior Bonds or that any instrument that is executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Notice to Rating Agencies. In the event that this Escrow Agreement or any provision thereof is severed, amended or revoked, the Escrow Agent, upon written instructions from the District, shall provide written notice in the form provided by the District of such severance, amendment or revocation to the rating agencies then rating the Prior Bonds.

SECTION 13. Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the Prior Bonds have been paid in accordance with this Escrow Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent and all amounts owed to the Escrow Agent shall have been paid in full; provided, that, any remaining amounts on deposit in the Escrow Fund after the date upon which the Prior Bonds have been paid in accordance with this Escrow Agreement shall have been transferred to the District in accordance with Section 10.03 of the Prior Indenture.

SECTION 14. Compensation. The District agrees to pay the Escrow Agent its reasonable fees and expenses (including legal fees and expenses) as previously agreed to by the Escrow Agent and the District, and any other reasonable fees and expenses of the Escrow Agent; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services that are rendered or expenses incurred by the Escrow Agent under this Escrow Agreement.

SECTION 15. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

SECTION 16. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 17. Electronic Signatures. Signatures appearing on any counterpart of this Escrow Agreement may be delivered by facsimile transmission or by electronic delivery in PDF format, which transmission or delivery shall be deemed delivery of an originally executed document

SECTION 18. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

SECTION 19. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Escrow Agreement, shall be a legal holiday or a day on which banking institutions in the state in which is located the principal office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Escrow Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 20. Assignment. This Escrow Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the District; provided, however, that no such consent shall be required with respect to an assignment effected pursuant to Section 21.

SECTION 21. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Escrow Agreement, any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Escrow Agent without execution or filing of any paper or further act, if such company is eligible to serve as Escrow Agent; provided that the Escrow Agent shall provide advance written notice of any such reorganization to the District.

SECTION 22. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys and investments in the Escrow Fund will not be sufficient to make all payments required by this Escrow Agreement, the Escrow Agent shall notify the District in writing of the amount thereof and the reason therefor to the extent known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

SECTION 23. Notices. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent at 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Corporate Trust, Reference: City of Los Angeles CFD 4 (Playa Vista) 2014 Bonds. Any notice to or demand upon the District may be served or presented, and such demand may be made, at c/o Office of the City Administrative Officer, 200 North Main Street, Room 1500, Los Angeles,

California 90012, Attention: Chief of Debt Management (or such other address as may have been filed in writing by the District with the Escrow Agent).

In addition, any such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed: (a) if given by courier or delivery service or if personally served or delivered, upon delivery; (b) if given by telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment; (c) if given by electronic mail, on the date sent, but only if confirmation of the receipt of such electronic mail is received or if notice is concurrently sent by another means specified herein; (d) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail; or (e) if given by any other means, upon delivery at the address specified in this Section.

SECTION 24. City Provisions. The Standard Provisions for City Contracts attached hereto as Exhibit C are hereby incorporated herein by reference as though fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed by their duly authorized officers and attested as of the date and year first written above.

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT
NO. 4 (PLAYA VISTA – PHASE 1)**

By signing below, the signatory attests that they have no personal, financial, beneficial or familial interest in this contract.

By: _____
[Benjamin Ceja], [Assistant City Administrative Officer]

ATTEST:

By: _____
Holly L. Wolcott, City Clerk

APPROVED AS TO FORM:

HYDEE FELDSTEIN SOTO, CITY ATTORNEY

By: _____
[_____, Assistant City Attorney]

[SIGNATURES CONTINUED ON NEXT PAGE.]

[SIGNATURE PAGE CONTINUED.]

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Escrow Agent and as Prior
Trustee

By: _____
Name: _____
Title: _____

SCHEDULE A
ESCROW REQUIREMENTS

Moneys deposited in the Escrow Fund shall be invested as follows:

<i>Maturity</i>	<i>Security</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
December __, 2024	\$ __	\$ __	__%

The escrow requirements for the Prior Bonds are as follows:

<i>Period Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal Redeemed</i>	<i>Total</i>
December __, 2024	\$0.00	\$ __	\$45,845,000.00	\$ __

SCHEDULE B

PRIOR BONDS

The Prior Bonds are described in the below table:

<i>Principal Payment Date (September 1)</i>	<i>Outstanding Principal Amount</i>	<i>Interest Rate</i>	<i>CUSIP® (544386)</i>
2025	\$ 5,205,000	5.000%	DD4
2026	5,610,000	5.000	DE2
2027	6,035,000	5.000	DF9
2028	6,495,000	5.000	DG7
2029	6,980,000	5.000	DH5
2030	7,490,000	5.000	DJ1
2031	<u>8,030,000</u>	5.000	DK8
TOTAL	\$45,845,000		

EXHIBIT A

NOTICE OF FULL OPTIONAL REDEMPTION

CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 4
(PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2014

BASE CUSIP 544386

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) pursuant to the Indenture, dated as of August 1, 2014, by and between City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “District”) and U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association (the “Trustee”), that outstanding Bonds in the principal amount of \$45,845,000 have been called for redemption on December __, 2024 (the “Redemption Date”). The Bonds to be called, which were originally issued on August 27, 2014, are described in the below table and referred to herein as the “Prior Bonds”:

<i>Principal Payment Date (September 1)</i>	<i>Outstanding Principal Amount</i>	<i>Interest Rate</i>	<i>CUSIP®</i>	<i>Redemption Price</i>
2025	\$ 5,205,000	5.000%	DD4	100.000%
2026	5,610,000	5.000	DE2	100.000
2027	6,035,000	5.000	DF9	100.000
2028	6,495,000	5.000	DG7	100.000
2029	6,980,000	5.000	DH5	100.000
2030	7,490,000	5.000	DJ1	100.000
2031	<u>8,030,000</u>	5.000	DK8	100.000
TOTAL	\$45,845,000			

The Prior Bonds will be payable on the Redemption Date at a redemption price of 100% of the principal amount thereof plus accrued interest thereon to such date (the “Redemption Price”). The Redemption Price of the Prior Bonds to be redeemed will become due and payable on the Redemption Date. From and after the Redemption Date, interest on the Prior Bonds to be redeemed will cease to accrue and such Prior Bonds will be surrendered to the Trustee.

To receive payment on the Redemption Date, owners of the Prior Bonds should present and surrender said Prior Bonds on the Redemption Date at the address of the Trustee set forth below:

Delivery Instructions

U.S. Bank Trust Company, National Association
Global Corporate Trust
633 West Fifth Street, 24th Floor
Los Angeles, California 90071

REQUIREMENT INFORMATION

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for Redemption instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 6 PM CST.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

If the Owner of any Prior Bond that is subject to optional redemption fails to deliver such Prior Bond to the Trustee on the Redemption Date, such Prior Bond shall nevertheless be deemed redeemed on the Redemption Date, further interest on such Prior Bond will not accrue from and after the Redemption Date and the Owner of such Prior Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the Trustee for such payment.

Note: The District and the Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any Prior Bond. They are included solely for the convenience of the holders of the Prior Bonds.

By: U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as trustee

Dated: November __, 2024.

EXHIBIT B

NOTICE OF DEFEASANCE

CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 4
(PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2014

BASE CUSIP 544386

Notice is hereby given to the owners of the outstanding obligations which are captioned above (the “Bonds”) that: (i) there have been deposited with U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association (the “Trustee”) under the Indenture, dated as of August 1, 2014 (the “Indenture”), by and between City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “District”) and the Trustee, moneys and Defeasance Securities (as such term is defined in the Indenture) as permitted by the Indenture that are sufficient and available (as evidenced by the report of an independent accountant or verification agent delivered to the Trustee) to redeem the Bonds on December __, 2024 at a Redemption Price equal to 100% of the aggregate principal amount of such Bonds plus accrued interest thereon.

The Bonds to be refunded, which were originally issued on August 27, 2014, are described in the below table:

<i>Principal Payment Date (September 1)</i>	<i>Outstanding Principal Amount</i>	<i>Interest Rate</i>	<i>CUSIP®</i>
2025	\$ 5,205,000	5.000%	DD4
2026	5,610,000	5.000	DE2
2027	6,035,000	5.000	DF9
2028	6,495,000	5.000	DG7
2029	6,980,000	5.000	DH5
2030	7,490,000	5.000	DJ1
2031	<u>8,030,000</u>	5.000	DK8
TOTAL	\$45,845,000		

In accordance with the Indenture: (i) the Bonds are deemed to have been paid within the meaning and with the effect expressed in the Indenture; (ii) the Indenture is discharged in respect of such Bonds; (iii) all agreements, covenants and other obligations of the District under the Indenture as to such Bonds have ceased, terminated, become void and been completely discharged and satisfied; and (iv) all obligations of the District under the Continuing Disclosure Agreement relating to the Bonds, dated as of August 1, 2014, by and between the District and the Trustee, have ceased and terminated.

No representation is made as to the correctness of the CUSIP number either as printed on any Bond or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for redemption of the Bonds.

Note: *The District and the Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any Bond. They are included solely for the convenience of the holders of the Bonds.*

Dated: September __, 2024.

CITY OF LOS ANGELES COMMUNITY
FACILITIES DISTRICT NO. 4 (PLAYA VISTA
– PHASE 1)

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

EXHIBIT C

STANDARD PROVISIONS FOR CITY CONTRACTS

The Escrow Agent agrees to be subject to the following provisions unless otherwise exempt from any of such provisions or unless any of such provisions are not applicable as a matter of law.

Section 1. Independent Contractor. The Escrow Agent is an independent contractor and not an agent or employee of the District or the City of Los Angeles (the “City”). The Escrow Agent shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees or agents to be an agent or employee of the District or the City.

Section 2. Retention of Records, Audits and Reports. The Escrow Agent shall maintain all records, including records of financial transactions, pertaining to the performance of this Escrow Agreement, in their original form or as otherwise approved by the District. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by the District; (2) the expiration of this Escrow Agreement; or (3) termination of this Escrow Agreement. The records will be subject to examination and audit by authorized District personnel, City personnel or the District’s representatives at any time. The Escrow Agent shall provide any reports requested by the District regarding performance of this Escrow Agreement. Any subcontract entered into by the Escrow Agent for work to be performed under this Escrow Agreement must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, the Escrow Agent may, upon the District’s written approval, submit the required information to the District in an electronic format, e.g. USB flash drive, at the expiration or termination of this Escrow Agreement.

Section 3. Taxpayer Identification Number (“TIN”) and Withholding Taxes. The Escrow Agent declares that it has an authorized TIN which will be provided to the District on Form W-9 or such equivalent form prior to payment under the Escrow Agreement. Payments made under the Escrow Agreement shall be subject to any federal or state taxes as may be required to be withheld pursuant to any applicable law or regulation, unless otherwise exempted by such applicable law, regulations, or other evidence of exemption.

Section 4. Warranty and Responsibility of the Escrow Agent. The Escrow Agent warrants that the work performed under the Escrow Agreement shall be completed in a manner consistent with professional standards practiced among those firms within the Escrow Agent’s profession, doing the same or similar work under the same or similar circumstances.

Section 5. Mandatory Provisions Pertaining to Non-Discrimination in Employment.

Unless otherwise exempt, this Escrow Agreement is subject to the applicable non-discrimination, equal employment practices, and affirmative action program provisions in the Los Angeles Administrative Code (“LAAC”) Section 10.8 *et seq.*, as amended from time to time.

- A. The Escrow Agent shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Escrow Agreement, the Escrow Agent shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Escrow Agreement by reference and will be known as the "Equal Employment Practices" provisions of this Escrow Agreement.
- C. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Escrow Agreement by reference and will be known as the "Affirmative Action Program" provisions of this Escrow Agreement.

Any subcontract entered into by the Escrow Agent for work to be performed under this Escrow Agreement must include an identical provision.

Section 6. Child Support Assignment Orders. The Escrow Agent shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the Escrow Agent (and any subcontractor of the Escrow Agent providing services to the District under this Escrow Agreement) shall: (1) fully comply with all State and Federal employment reporting requirements for the Escrow Agent's or the subcontractor's employees; (2) certify that the principal owner(s) of the Escrow Agent and applicable subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 *et seq.*; and (4) maintain such compliance throughout the term of this Escrow Agreement.

Failure of the Escrow Agent or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the Escrow Agent or applicable subcontractor to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the Escrow Agent under this Escrow Agreement. Failure of the Escrow Agent or applicable subcontractor or principal owner to cure the default within 90 days of the notice of default will subject this Escrow Agreement to termination for breach. Any subcontract entered into by the Escrow Agent for work to be performed under this Escrow Agreement must include an identical provision.

Section 7. Access and Accommodations.

The Escrow Agent represents and certifies that:

- A. The Escrow Agent shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 *et seq.*, the Rehabilitation Act of 1973, as

amended, 29 U.S.C. Section 701 *et seq.*, the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;

- B. The Escrow Agent shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The Escrow Agent shall provide reasonable accommodation upon request to ensure equal access to City-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Escrow Agreement are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The Escrow Agent understands that the District is relying upon these certifications and representations as a condition to funding this Escrow Agreement. Any subcontract entered into by the Escrow Agent for work to be performed under this Escrow Agreement must include an identical provision.

Section 8. Contractor Responsibility Ordinance. The Escrow Agent shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 *et seq.*, as amended from time to time.

Section 9. Restrictions on Campaign Contributions and Fundraising in City Elections. Unless otherwise exempt, if this Escrow Agreement is valued at \$100,000 or more and requires approval by an elected City office, the Escrow Agent, the Escrow Agent's principals, and the Escrow Agent's subcontractors expected to receive at least \$100,000 for performance under this Escrow Agreement, and the principals of those subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and Los Angeles Municipal Code ("LAMC") Section 49.7.35. Failure to comply entitles the District to terminate this Escrow Agreement and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected City officials or candidates for elected City office for twelve months after this Escrow Agreement is signed. Additionally, a contractor (i.e., the Escrow Agent) subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any contractor (i.e., the Escrow Agent) subject to Charter Section 470(c)(12) shall include the following notice in any contract with any subcontractor to receive at least \$100,000 for performance under this Escrow Agreement:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections.

You are a subcontractor in connection with the Escrow Agreement, dated as of September 1, 2024 (the “**Escrow Agreement**”), by and between the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “Community Facilities District”) and U.S. Bank Trust Company, National Association, as the Prior Trustee and Escrow Agent. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles officials and candidates for elected City office for twelve months after the Escrow Agreement is signed. You are required to provide the names and contact information of your principals to the Escrow Agent and to amend that information within ten business days if it changes during the twelve-month time period. Failure to comply may result in termination of the Escrow Agreement and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

Section 10. Contractor’s Use of Criminal History for Consideration of Employment Applications. The Escrow Agent shall comply with the City’s “Contractor Use of Criminal History for Consideration of Employment Applications” Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the Escrow Agent for work to be performed under this Escrow Agreement must include an identical provision.

Attachment E

Bond Purchase Agreement

**[\$Principal Amount]
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

BOND PURCHASE AGREEMENT

September [], 2024

City of Los Angeles
Community Facilities District No. 4 (Playa Vista – Phase 1)
c/o Office of the City Administrative Officer
City Hall East
200 North Main Street, Room 1500
Los Angeles, California 90012

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “District”), which, upon your acceptance of this offer, will be binding upon the Underwriter and the District. The agreement of the Underwriter to purchase the Bonds (as such term is defined herein) is contingent upon the District satisfying all of the obligations imposed upon it under this Purchase Agreement. This offer is made subject to the District’s acceptance by its execution of this Purchase Agreement and its delivery to the Underwriter on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the District at any time prior to the acceptance hereof by the District. All capitalized terms used herein which are not otherwise defined herein have the meanings provided for such terms in the Indenture (as such term is defined herein).

Section 1. Purchase, Sale and Delivery of the Bonds.

(a) 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 District, and the District hereby agrees to sell to the Underwriter, all (but not less than all) of the [\$Principal Amount] aggregate principal amount of the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2024 (the “Bonds”), dated the Closing Date (as such term is defined herein), 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 \$[] (representing the principal amount of the Bonds of \$[Principal Amount].00, plus an original issue premium of \$[], and less an Underwriter’s discount of \$[]).

The Bonds shall be in the form set forth in, shall be issued and secured under the provisions of, and shall be payable from the Net Special Tax Revenues as provided in the 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 terms of the Bonds and the security therefor shall

be as described in the Official Statement (as hereinafter defined), and the Bonds will be issued under the authority of the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 *et seq.* of the California Government Code (the “Act”).

The Bonds were authorized to be issued pursuant to a resolution adopted on [____], 2024 (the “Bond Resolution”) by the Council (the “City Council”) of the City of Los Angeles (the “City”), acting as the legislative body of the District. The special taxes that will provide a source of payment for the Bonds (the “Special Taxes”) are being levied pursuant to Ordinance No. 172952, adopted on December 8, 1999, by the City Council, acting as the legislative body of the District, which established the District and authorized the levy of a special tax within the District (the “Ordinance of Formation”), and Ordinance No. 174037 adopted by the City Council, acting as the legislative body of the District, on June 26, 2001 (the “Ordinance Levying Special Taxes”), which provided for the levy of the Special Taxes on property in the District. The Bond Resolution, the Ordinance of Formation and the Ordinance Levying Special Taxes are collectively referred to below as the “Resolution and Ordinances.”

The proceeds of the sale of the Bonds will be applied by the District in accordance with the Indenture to provide funds to: (i) refund and defease all \$45,845,000 outstanding aggregate principal amount of the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) Special Tax Refunding Bonds, Series 2014 (the “Prior Bonds”); (ii) fund a Reserve Fund for the Bonds in the amount of the Reserve Requirement; and (iii) pay certain costs associated with the issuance of the Bonds. The refunding and defeasance of the Prior Bonds will be accomplished as described in the Escrow Agreement, dated as of September 1, 2024 (the “Escrow Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as trustee and as escrow bank (the “Escrow Bank”).

(c) Pursuant to the authorization of the District, the Underwriter has distributed copies of the Preliminary Official Statement, dated September [___], 2024, relating to the Bonds, which, together with the cover page and appendices thereto is herein called the “Preliminary Official Statement.” By its acceptance of this Purchase Agreement, the District hereby ratifies the use by the Underwriter of the Preliminary Official Statement; and the 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 Kutak Rock LLP, the City’s Bond Counsel (herein called “Bond Counsel”), the City Attorney and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 2(n) hereof. The 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 District further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, this Purchase Agreement and all information contained herein, the Indenture, the Escrow Agreement and all other documents, certificates and statements furnished by or on behalf of the City or the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

(d) Except as the Underwriter and the District may otherwise agree, at 8:00 a.m. California time, on September [___], 2024 (the “Closing Date”), the District will deliver to the Underwriter, at the offices of Bond Counsel in Irvine, California, or at such other location as may be mutually agreed upon by the Underwriter and the District, the documents hereinafter mentioned and the District will deliver to the Underwriter through the facilities of The Depository Trust Company (“DTC”) in New York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the

District and authenticated by the Trustee in the manner provided for in the Indenture and the Act, and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (a) of this Section in immediately available funds (such delivery and payment being herein referred to as the “Closing”). The Bonds shall be made available to the Underwriter for inspection not later than two Business Days prior to the Closing Date. 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.

Section 2. Representations, Warranties and Agreements of the District. The District represents, warrants to, covenants and agrees with, the Underwriter that:

(a) The District is a community facilities district duly organized and validly existing under the Constitution and laws of the State of California, including the Act, and the District has, and at the Closing Date will have, full legal right and power: (i) to enter into, execute and deliver this Purchase Agreement, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate, dated as of September 1, 2024 (the “Continuing Disclosure Certificate”), by the District, the Bonds and the Official Statement; and (ii) to carry out, give effect to and consummate the transactions on its part contemplated hereby and thereby.

(b) The Resolution and the Ordinances and all other ordinances and resolutions referred to in the Ordinance Levying Special Taxes have been duly adopted by the City Council and are in full force and effect; and the Indenture, the Escrow Agreement and the Continuing Disclosure Certificate, when executed and delivered by the City and the other party thereto, as applicable, will constitute legal, valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject, as to enforceability, to the general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. The District has complied, and will at the Closing Date be in compliance, in all material respects with the Resolution and the Ordinances, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate, the Act and this Purchase Agreement, and any immaterial compliance therewith by the District, if any, will not impair the ability of the District to carry out, give effect to or consummate the transactions contemplated by the foregoing.

(c) The City Council has duly and validly: (i) made all the necessary findings and determinations required under the Act in connection with the formation of the District and the issuance of the Bonds, called, held and conducted in accordance with all requirements of the Act an election within the District to approve the levy of the Special Tax and recorded a notice of lien relating to the Special Tax, and the Special Tax constitutes a valid and legally binding continuing lien on the properties on which it has been levied; (ii) approved and authorized the execution and delivery by the District of the Indenture, the Escrow Agreement, the Bonds, the Continuing Disclosure Certificate and this Purchase Agreement, and approved the distribution of the Preliminary Official Statement and the execution by the District and distribution of the Official Statement; and (iii) authorized and approved the performance by the District, at or prior to the Closing Date, of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions on its part contemplated by, each of such documents. All consents or approvals necessary to be obtained by the District in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The 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 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 District is a party or is otherwise subject or bound, and the performance by the District of its obligations under the Indenture, the Bonds, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Agreement and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, 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 District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the District of its obligations under the Indenture, the Bonds, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Agreement.

(e) 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 District of its obligations hereunder or under the Indenture, the Bonds, the Escrow Agreement or the Continuing Disclosure Certificate have been or will be obtained at the Closing Date and are or will be at the Closing Date in full force and effect.

(f) When delivered to the Underwriter, the Bonds will have been duly authorized by the City Council and duly executed, issued and delivered by the District and will constitute legal, valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject, as to enforceability, to the general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. The Indenture creates a valid pledge of, first lien upon and security interest in, the Net Special Tax Revenues (except as provided in the Indenture) and the amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund established pursuant to the Indenture, on the terms and conditions set forth in the Indenture.

(g) To the best of the District’s knowledge, as of the date hereof the information in the Preliminary Official Statement concerning the City and the District is true and correct in all material respects and does not and, on the Closing Date the information in the Official Statement will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that, no representation or warranty is hereby made as to (i) any information contained in the Preliminary Official Statement with respect to DTC and the book-entry system, under the caption “UNDERWRITING,” any information expressly provided by the Underwriter for inclusion therein, [to add insurer and insurance information if applicable,] and information permitted to be omitted by Rule 15c2-12, as to which no representation is made, and (ii) any information contained in the Official Statement with respect to DTC and the book-entry system,

under the caption “UNDERWRITING,” any information expressly provided by the Underwriter for inclusion therein and [to add insurer and insurance information if applicable]).

(h) If after the date of this Purchase Agreement and until ninety (90) days after the End of the Underwriting Period (as such term is defined herein), any event shall occur, of which the District has notice, as a result of which it may be necessary to supplement the Official Statement in order to make the statements therein, in the light of the circumstances existing at such time, not misleading, the District shall forthwith notify the Underwriter of any such event of which it has knowledge and, if in the opinion of the Underwriter and the City Administrative Officer on behalf of the District, such event requires an amendment or supplement to the Official Statement, the District will at its own expense amend or supplement the Official Statement in a form and manner jointly approved by the District and the Underwriter so that the statements therein as so amended or supplemented will not be misleading in light of the circumstances existing at such time, and the District will promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement. As used herein, the term “End of the Underwriting Period” means the later of such time as: (i) the District delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain 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 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.”

(i) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency or public board or body to which the City or the District is a party and has been served with a summons or other notice thereof, is pending, or to the knowledge of the District is threatened, in any way affecting the existence of the District, the existence of the City or the titles of its officers executing any of the Bonds, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate or the Official Statement to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture and the Escrow Agreement, the collection or application of the Net Special Tax Revenues pledged or to be pledged to pay the principal of, and interest on, the Bonds, or the pledge thereof, or the collection or application of the Net Special Tax Revenues pledged or to be pledged to pay the principal of, and interest on, the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, the Bonds, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Agreement, any action of the City or the District contemplated by any of such documents, or in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the District with respect to the Indenture, the Bonds, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Agreement or any action of the City or the District contemplated by any of such documents, or which contests the exclusion from gross income for federal income tax purposes of interest paid on the Bonds or the exemption of interest paid on the Bonds from State of California personal income taxation.

(j) The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order for the Underwriter 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 of America as the Underwriter may designate; provided, however, that neither the City nor the District shall be required to register as a dealer or broker of securities or to consent to service of process or qualify to do business in any

jurisdiction where it is not now so subject. It is understood that such “blue sky” registration is the sole responsibility of the Underwriter.

(k) Any certificate signed by any officer or employee of the City authorized to do so and delivered to the Underwriter in connection with the transactions contemplated by this Purchase Agreement shall be deemed a representation and warranty by the District as to the statements made therein.

(l) The District will apply the proceeds of the Bonds in accordance with the Indenture, and the Indenture creates a valid pledge of the Net Special Tax Revenues and the moneys in the Bond Fund and the Reserve Fund established pursuant thereto, including the investments thereof, subject in all cases to the provisions thereof permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(m) 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 District will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture.

(n) The Preliminary Official Statement heretofore delivered to the Underwriter has been deemed final by the District as of its date, except for the omission of such information as is permitted to be omitted in accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”). The 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 District shall cause a final printed form of the Official Statement to be delivered to the Underwriter in a sufficient quantity to comply with Rule 15c2-12 and the applicable rules of the Municipal Securities Rulemaking Board.

(o) Except as disclosed in the Official Statement, to the best of the District’s knowledge, no other public debt secured by a tax or assessment levied by the City on the land in the District is in the process of being authorized and no assessment districts or community facilities districts have been or are in the process of being formed by the City which include any portion of the land within the District.

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

(q) The Special Taxes may lawfully be levied in accordance with the rate and method of apportionment of special taxes for the District (the “Rate and Method”) and the Ordinance Levying Taxes, and, when levied, the Special Taxes so levied will be secured by a lien on the property on which they are levied.

(r) Neither the City nor the District has failed in any material respect to comply with any undertaking of the City or the District under Rule 15c2-12 in the previous five years, except as is disclosed in the Preliminary Official Statement and in the Official Statement.

(s) The total net interest cost to maturity on the Bonds plus the principal amount of the Bonds is less than the total remaining net interest cost to maturity on the Prior Bonds plus the outstanding principal amount of the Prior Bonds.

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

The execution and delivery of this Purchase Agreement by the District shall constitute a representation to the Underwriter that the representations and warranties contained in this Section 2 are true as of the date hereof.

Section 3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, substantially in the form attached hereto as Exhibit D, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except for the maturities set forth in Schedule A to Exhibit D attached hereto, the District represents that it will treat the first price at which 10% of each maturity of the Bonds (the "10% Test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which the Underwriter have 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 District the prices at which Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that maturity have been sold 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 request of the Underwriter, the 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.

(c) The Underwriter confirms that:

(i) any selling group agreement and each 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 the Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold 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, in each case if and for so long as directed by the Underwriter; and

(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);

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

(ii) 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 the Underwriter or 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 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 dealer and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(d) The 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 that 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, as set forth in the third-party distribution agreement and the related pricing wires. The 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.

(e) 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:

- (i) “public” means any person other than an underwriter or a related party to an underwriter,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 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),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

Section 4. Conditions to the Obligation 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 of the City contained herein, to the accuracy in all material respects of the statements of the officials of the District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the District of its obligations to be performed hereunder at or prior to the Closing Date and to the following conditions:

(a) At the Closing Date, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Agreement 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 transactions contemplated thereby and by this Purchase Agreement all such actions as, in the opinion of Bond Counsel and counsel to the Underwriter, shall be necessary and appropriate.

(b) At the Closing Date, the 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 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 District is a party or is otherwise subject or bound, and the performance by the District of its obligations under the Bonds, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Agreement, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, 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 District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the District of its obligations under the Bonds, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Agreement.

(c) At the Closing Date, 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 District of its obligations hereunder and under the Indenture, the Bonds, the Escrow Agreement or the Continuing Disclosure Certificate will have been obtained and will be in full force and effect.

(d) 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 to Section 2(h) hereof, 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 pursuant to Section 2(h) hereof, 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; provided, that, no representation or warranty is made as to any information contained in the Official Statement with respect to DTC and the book-entry system, under the caption “UNDERWRITING,” any information expressly provided by the Underwriter for inclusion therein and [to add insurer and insurance information if applicable]).

(e) Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the inside front cover page of the Official Statement, of the Bonds shall not have been materially adversely affected (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) legislation introduced in or enacted (or resolution passed) by the House of Representatives or the Senate of the Congress of the United States of America or recommended to the House of Representatives or the Senate of the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either the House of Representatives or the Senate of the Congress by any committee of the House or the Senate to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the

Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds;

(2) legislation introduced in or enacted (or resolution passed) by the House of Representatives or the Senate of the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

(3) a general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by federal, State of New York or State of California officials authorized to do so;

(4) the introduction, proposal or enactment of any amendment to the federal or California Constitution or any action by any federal or California court, legislative body, regulatory body or any other governmental body materially adversely affecting the tax status of the District, its property, income, securities (or interest thereon), the validity or enforceability of the Special Taxes or the ability of the District to issue the Bonds and levy the Special Taxes as contemplated by the Indenture, the Rate and Method, the Ordinance Levying Taxes and the Official Statement;

(5) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(6) there shall have occurred any outbreak of hostilities or other local, national or international calamity or crisis or the escalation of any hostilities, calamity or crisis, the effect of which on the financial markets of the United States of America, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect: (A) the market price or the marketability of the Bonds; or (B) the ability of the Underwriter to enforce contracts for the sale of the Bonds (it being acknowledged that as of the date hereof no such circumstance is occurring); or

(7) the commencement of any action, suit or proceeding described in Section 2(i).

(f) At or prior to the Closing Date, the Underwriter shall have received two counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) the Resolution and Ordinances, together with a certificate of the City Clerk to the effect that attached thereto are true, correct and complete copies of the Resolution and Ordinances, which have not been amended, supplemented or repealed and are in full force and effect;

(2) the Official Statement, executed on behalf of the District by an authorized signatory of the District;

(3) the Indenture duly executed and delivered by the District and the Trustee and the Escrow Agreement duly executed by the District and the Escrow Bank;

(4) the Continuing Disclosure Certificate, duly authorized and executed by the District;

(5) an unqualified opinion, dated the Closing Date and addressed to the District, of Bond Counsel in substantially the form included as Appendix B to the Official Statement, together with a letter of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such opinion addressed to the District may be relied upon by the Underwriter to the same extent as if such opinion was addressed to the Underwriter;

(6) a supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that: (i) this Purchase Agreement has been duly executed and delivered by, and assuming the due authorization, execution and delivery by the other party thereto, constitutes the valid and binding obligation of, the District, subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in the State of California; (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 pursuant to the Trust Indenture Act of 1939, as amended; and (iii) the statements contained in the Official Statement under the captions "INTRODUCTION—Security and Sources of Payment for the Bonds," "INTRODUCTION—Description of the Bonds," "THE BONDS" (excluding the information relating to DTC and its book-entry only system and information under the caption "—Debt Service Schedule"), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" (excluding the information under the captions "—Special Taxes" and "—Estimated Debt Service Coverage") and "TAX MATTERS," and in Appendix C, insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture and the form and content of Bond Counsel's final opinion, are accurate in all material respects;

(7) a letter, dated the Closing Date, and addressed the District and the Underwriter, from Stradling Yocca Carlson & Rauth LLP, in the form attached hereto as Exhibit E;

(7) a certificate of the District, dated the Closing Date and signed by an Assistant Administrative Officer or another authorized officer to the effect that: (i) the representations and warranties of the 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, except that all references herein to the Preliminary Official Statement shall be deemed to be references to the Official Statement; (ii) 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 (provided, that, no representation or warranty is made as to any information contained in the Official Statement with respect to DTC and the book-entry system, under the caption "UNDERWRITING," any information expressly provided by the Underwriter for inclusion therein and [to add insurer and insurance information if applicable]); and (iii) the District has complied with all the agreements and satisfied all the conditions on its part to be satisfied at or prior to the Closing Date under this Purchase Agreement, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate and the Official Statement;

(8) an opinion, dated the Closing Date and addressed to the District and the Underwriter, of the City Attorney, to the effect that: (i) the District is a community facilities district validly existing under the Act; (ii) the Official Statement and the distribution thereof have been duly authorized by the District; (iii) the Bond Resolution was adopted by the City Council, acting as the legislative body of the District, at a meeting which was held pursuant to law and with all required notice having been given, and at which a quorum was present at the time of its adoption, and the Bond Resolution has not been modified, amended or rescinded and is in full force and effect on and as of the Closing Date; (iv) the Bonds, the Indenture, the Escrow Agreement, this Purchase Agreement and the Continuing Disclosure Certificate have been duly authorized and executed by the District, and (v) to the best of our knowledge, other than as may be disclosed in the Official Statement, there is no action, suit, or proceeding before or by any court, public board or body to which the City or the District is party pending (with service of process having been given to the City or the District) or threatened against the City or the District wherein an unfavorable decision, ruling or finding would (a) affect the organization or existence of the City or the District, or the titles of the officers of the District or the City executing the Bonds, the Indenture, the Escrow Agreement, this Purchase Agreement and the Continuing Disclosure Certificate to their respective offices, (b) seek to restrain or enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, the collection or application of the Special Taxes to pay the principal of, and interest on, the Bonds, (c) contest the validity of the Bonds, the Indenture, the Escrow Agreement, this Purchase Agreement or the Continuing Disclosure Certificate, or the completeness or accuracy of the Official Statement, or the powers of the District to issue the Bonds or enter into the Indenture, the Escrow Agreement, this Purchase Agreement, or the Continuing Disclosure Certificate, or (d) challenge the exclusion of the interest paid on the Bonds from federal income tax and the exemption of interest paid on the Bonds from State of California personal income taxation;

(9) certified copies of excerpts from the Bylaws of U.S. Bank Trust Company, National Association, as Trustee, authorizing the execution and delivery of certain documents by certain officers of U.S. Bank Trust Company, National Association, which resolution authorizes the execution by U.S. Bank Trust Company, National Association of the Indenture, the Escrow Agreement and the Continuing Disclosure Certificate, respectively;

(10) a certificate of U.S. Bank Trust Company, National Association, dated the Closing Date, to the effect that: (i) U.S. Bank Trust Company, National Association is authorized to carry out corporate trust powers, and has full power and to perform its duties under the Indenture, the Escrow Agreement and the Continuing Disclosure Certificate; (ii) U.S. Bank Trust Company, National Association is duly authorized to execute and deliver the Indenture, the Escrow Agreement and the Continuing Disclosure Certificate, to accept the obligations created by the Indenture, the Escrow Agreement and the Continuing Disclosure Certificate, and to authenticate the Bonds pursuant to the terms of the Indenture; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over U.S. Bank Trust Company, National Association that has not been obtained is or will be required for the authentication of the Bonds, of the consummation by it

of the other transactions contemplated to be performed by it in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture, the Escrow Agreement and the Continuing Disclosure Certificate; and (iv) to the best of its knowledge, compliance with the terms of the Indenture, the Escrow Agreement and the Continuing Disclosure Certificate will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which U.S. Bank Trust Company, National Association is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over U.S. Bank Trust Company, National Association or any of its activities or properties;

(11) a certificate dated the Closing Date from the Special Tax Consultant substantially in the form set forth in Exhibit C hereto;

(12) a tax certificate of the District in form and substance acceptable to Bond Counsel and the Underwriter;

(13) evidence of recordation in the real property records of the County of Los Angeles of the Notice of Special Tax Lien in the form required by the Act;

(14) evidence that Federal Form 8038-G has been executed by the District and will be filed with the Internal Revenue Service;

(15) an opinion of counsel to U.S. Bank Trust Company, National Association in form and substance satisfactory to the Underwriter and Bond Counsel, dated the Closing Date and addressed to the City and the Underwriter, to the effect that U.S. Bank Trust Company, National Association is a national banking association validly existing and in good standing under the laws of the United States of America and is authorized to exercise trust powers, U.S. Bank Trust Company, National Association has the requisite power and authority to execute and deliver the Indenture and the Escrow Agreement and to perform its obligations thereunder, and U.S. Bank Trust Company, National Association has duly authorized, executed and delivered the Indenture, the Escrow Agreement, and that such documents are valid and binding obligations of U.S. Bank Trust Company, National Association enforceable in accordance with their respective terms;

(16) an opinion of Bond Counsel addressed to the City and the Trustee, to the effect that, assuming that amounts held by the Escrow Bank under the Escrow Agreement are sufficient to pay the full redemption price of the Prior Bonds on December [], 2024, upon the execution and delivery of the Escrow Agreement by the parties thereto and the funding of the Escrow Fund thereunder, the Prior Bonds will have been legally defeased and will no longer be outstanding under the Indenture pursuant to which they were issued;

(17) an executed Rule 15c2-12 certificate in the form of Exhibit B attached hereto;

(18) a DTC Blanket Letter of Representations executed by the District;

(19) an opinion or letter of Sherman & Howard L.L.C., Denver, Colorado, counsel to the Underwriter, addressed to the Underwriter, in form and substance acceptable to the Underwriter;

(20) an underlying rating letter with respect to the Bonds from S&P Global Ratings, Inc.;

(21) a verification report with respect to the Prior Bonds in form and substance satisfactory to Bond Counsel and the Underwriter; and

(22) 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 representations and warranties of the City contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City in connection with the transactions contemplated hereby, and by the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate and the Official Statement.

If the City 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 none of the City, the District or the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter, the City and the District set forth in Section 5 hereof shall continue in full force and effect.

Section 5. Expenses.

(a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the District shall pay out of the proceeds of the Bonds or any other legally available funds of the District, all expenses incidental to the performance of the City's obligations hereunder, including but not limited to the cost of printing and delivering the Bonds to the Underwriter; the costs of printing and shipping the Preliminary Official Statement and the Official Statement; the fees and expenses of the District, the City, the Trustee, the Financial Advisor, the Special Tax Consultant, Bond Counsel and Disclosure Counsel, and the fees and expenses of any experts or consultants retained by the City in connection with the issuance and sale of Bonds and the refunding of the Prior Bonds; and any other expenses not specifically enumerated in paragraph (b) of this Section incurred in connection with the issuance and sale of the Bonds.

(b) Whether or not the Bonds are delivered to the Underwriter as set for the herein, the District shall be under no obligation to pay, and the Underwriter shall be responsible for and pay, CUSIP Bureau and CDIAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this Section.

Section 6. Notices. Any notice or other communication to be given to the District under this Purchase Agreement may be given by delivering the same in writing to City of Los Angeles, c/o Office of the City Administrative Officer, City Hall East, 200 North Main Street, Room 1500, Los Angeles, California 90012; 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, CA 90067, Attention: Jake Campos.

Section 7. Parties in Interest. This Purchase Agreement is made solely for the benefit of the City, the District and the Underwriter (including any successors or assignees of the Underwriter)

and no other person shall acquire or have any right hereunder or by virtue hereof. This Purchase Agreement may not be assigned by any party without the written consent of the other party.

Section 8. Survival of Representations and Warranties. The representations and warranties of the City hereunder 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 City and regardless of the delivery of and payment for the Bonds.

Section 9. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto by manual or facsimile signature in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument. The parties further agree that facsimile signatures or signatures scanned into PDF format (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures.

Section 10. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings among the parties hereto in relation to the sale of the Bonds of the City.

Section 11. Governing Law; Venue. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California, applicable to contracts made and performed within the State of California. All litigation arising out of, or relating to this Purchase Agreement, shall be brought in a State or Federal court in the City of Los Angeles in the State of California. The parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum *non conveniens*.

Section 12. Representations of the Underwriter. The Underwriter represents and warrants to the District that it is authorized to take any action under this Purchase Agreement required to be taken by it, that the Underwriter is authorized to execute this Purchase Agreement, and that this Purchase Agreement has been duly executed by a duly authorized representative of the Underwriter and is a binding contract of the Underwriter enforceable in accordance with its terms.

Section 13. City Standard Provisions. The Underwriter agrees that it will comply with the Standard Provisions for City Contracts attached hereto as Exhibit F.

Section 14. Iran Contracting Act of 2010. In accordance with California Public Contract Code Sections 2200-2208, all bidders submitting proposals for, entering into, or renewing contracts with a public entity for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit." The Underwriter shall complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit" prior to the date of the execution of this Purchase Agreement.

[Signature Page Follows]

Section 15. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the District and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Name: Jake Campos, Managing Director

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

CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT
NO. 4 (PLAYA VISTA – PHASE 1)

By signing below, the signatory attests that they
have no personal, financial, beneficial or
familial interest in this contract.

By: _____
Name:
Title: Assistant City Administrative Officer

APPROVED AS TO FORM:

HYDEE FELDSTEIN SOTO, CITY ATTORNEY

By: _____
Name:
Title: Assistant City Attorney

EXHIBIT A
MATURITY SCHEDULE

<i><u>Maturity Date (September 1)</u></i>	<i><u>Principal Amount</u></i>	<i><u>Interest Rate</u></i>	<i><u>Price or Yield</u></i>	<i><u>10% Test Met</u></i>	<i><u>Hold the Offering Price Maturities</u></i>
2025					
2026					
2027					
2028					
2029					
2030					
2031					

EXHIBIT B

**[\$[PRINCIPAL AMOUNT]*
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he is the duly appointed and acting Assistant City Administrative Officer of the City of Los Angeles, the City Council of which is the legislative body of the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “District”), and is duly authorized to execute and deliver this certificate and further hereby certifies on behalf of the District as follows:

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

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated [____], 2024, setting forth information concerning the Bonds and the District (the “Preliminary Official Statement”).

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

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

IN WITNESS WHEREOF, I have hereunto set my hand as of [____], 2024.

CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT
NO. 4 (PLAYA VISTA – PHASE 1)

By: _____
Assistant City Administrative Officer

** Preliminary, subject to change.*

EXHIBIT C

**\$(Principal Amount)
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

CERTIFICATE OF SPECIAL TAX CONSULTANT

City of Los Angeles
Community Facilities District No. 4 (Playa Vista – Phase 1)
c/o City Administrative Officer
200 North Main Street, Room 1210
Los Angeles, California 90012

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

The undersigned hereby states and certifies that:

1. The undersigned is an authorized officer of David Taussig & Associates, Inc. dba DTA (the “Special Tax Consultant”) and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. The Special Tax Consultant has been retained as Special Tax Consultant for the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “District”), and has reviewed the Amended and Restated Rate and Method of Apportionment for the District (the “Rate and Method”) a copy of which is set forth in Appendix A to the Official Statement, dated [_____], 2024 (the “Official Statement”), relating to the above-captioned bonds (the “Bonds”).

3. Based upon our review of the Rate and Method, the Special Tax, if collected in the maximum amounts permitted pursuant to the Rate and Method on the date hereof, and after deduction annually of the Administrative Expenses (as such term is defined in the Indenture referred to in the Official Statement), would generate at least 110% of the gross annual debt service on the Bonds, provided that the annual debt service figures set forth in the table under the heading “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Estimated Debt Service Coverage” in the Official Statement, which were relied upon by Special Tax Consultant, are true and correct (however, although the Special Tax if collected in the maximum amounts pursuant to the Rate and Method will generate at least 110% of the gross annual debt service payable with respect to the Bonds each year, no representation is made herein as to actual amounts that will be collected in future years).

4. All information with respect to the Rate and Method in the Official Statement and all other information in the Official Statement sourced to the Special Tax Consultant (including Tables 1 through 13 therein) is true and correct as of the date of the Official Statement and as of the date hereof, and a true and correct copy of the Rate and Method is attached to the Official Statement as Appendix A.

Dated: [_____], 2024

DAVID TAUSSIG AND ASSOCIATES,
INC. DBA DTA

By: _____
Its: _____

EXHIBIT D

**[\$[Principal Amount]
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

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 issuance by the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase I) (the “Issuer”) of the above-captioned bonds (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. For each Maturity of the Bonds that is not a General Rule Maturity, Stifel agrees to promptly report to the Issuer the prices at which Bonds of that maturity have been sold by Stifel to the Public. That reporting obligation shall continue, whether or not the closing date for the Bonds (the “Closing Date”) has occurred, until either (i) all Bonds of that Maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that Maturity, provided that Stifel’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of Stifel, the Issuer or bond counsel for the Bonds.

2. Reserve Fund. The establishment and funding of the “Reserve Fund” defined in and at the level of funding described in the Tax Certificate to which this Issue Price Certificate is attached (the “Tax Certificate”) was a vital factor in the sale of the Bonds and permitted the sale of the Bonds at interest rates comparable to those of other bond issues of a similar type and credit quality. The Reserve Fund is not funded in excess of the amount necessary for the purpose of such fund.

3. Bond Insurance Policy and Reserve Surety. The present value of interest savings achieved as a result of the Issuer’s acquisition of the bond insurance policy and reserve surety for the Bonds exceeds the premium paid to the bond insurer for such policy and surety. For this purpose, present value has been computed using the yield of the Bonds, determined with regard to the premium, as the discount rate. Based on Stifel’s experience with issues similar to the issue of Bonds, such premium does not exceed a reasonable, arm’s-length charge for the transfer of credit risk with respect to the Bonds, and such premium is not included in any direct or indirect payment for a cost, risk or other element that is not customarily borne by guarantors or insurers of tax exempt bonds in transactions in which the guarantor or insurer has no involvement other than as guarantor or insurer.

4. Yield and Average Maturity of the Bonds. The yield of the Bonds is .____ percent. Such yield was derived by determining the discount rate which, when used in computing the present value of all payments of principal and interest and qualified guarantee fees, if any, to be paid on the Bonds produces an amount equal to the aggregate purchase price of the Bonds, using a day count convention that assumes that each year consists of twelve months having 30 days each.

[In computing the yield of the Bonds, as set forth in the preceding paragraph, an adjustment has been made for the original issue premium on the Bonds maturing _____, 20__ through _____, 20__ because the issue price, in each case, exceeds the stated redemption price at

maturity by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date. Such Bonds were treated as redeemed at 100 percent of their par amount on _____, 20__, which is the optional call date that produces the lowest yield on each such Bond.]

The weighted average maturity of the Bonds is __.____ years. The remaining weighted average maturity of the bonds refunded by the Bonds is __.____ years, as calculated in the same manner as for the Bonds.

5. Defined Terms.

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

(b) “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.

(c) “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.

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

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 Kutak Rock LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Name: _____
Dated: September __ 2024.

By: _____
Name: _____
Dated: September __ 2024.

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES

(Attached)

EXHIBIT E

[Attach Form of Disclosure Counsel Letter]

EXHIBIT F

Standard Provisions for City Contracts

The Underwriter agrees to be subject to the following provisions unless otherwise exempt from any of such provisions or unless any of such provisions are not applicable as a matter of law in connection with the Bond Purchase Agreement, dated [____], 2024 (the “Purchase Agreement”), between the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “District”) and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) (capitalized undefined terms used in this Exhibit have the meanings ascribed thereto in the Purchase Agreement):

Section 1. Independent Contractor. The Underwriter is an independent contractor and not an agent or employee of the District or the City. The Underwriter shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees or agents to be an agent or employee of the District or the City.

Section 2. Retention of Records, Audits and Reports. The Underwriter shall maintain all records, including records of financial transactions, pertaining to the performance of this Purchase Agreement, in their original form or as otherwise approved by the District. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by the District or (2) the expiration or termination of this Purchase Agreement. The records will be subject to examination and audit by authorized District personnel, City personnel or the District’s representatives at any time. The Underwriter shall provide any reports requested by the District regarding performance of this Purchase Agreement. Any subcontract entered into by the Underwriter for work to be performed under this Purchase Agreement must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, the Underwriter may, upon the District’s written approval, submit the required information to the District in an electronic format, e.g. USB flash drive, at the expiration or termination of this Purchase Agreement.

Section 3. Taxpayer Identification Number (“TIN”) and Withholding Taxes. The Underwriter declares that it has an authorized TIN which will be provided to the District on Form W-9 or such equivalent form prior to payment under the Purchase Agreement. Payments made under the Purchase Agreement shall be subject to any federal or state taxes as may be required to be withheld pursuant to any applicable law or regulation, unless otherwise exempted by such applicable law, regulations, or other evidence of exemption.

Section 4. Indemnification. The Underwriter shall defend, indemnify and hold harmless the District, the City and the District’s and City’s boards, officers, agents, employees, assigns and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including but not limited to attorneys’ fees and costs of litigation, to the extent such suits and causes of action, claims, losses, demands and expenses arise out of or are based upon information provided by the Underwriter to the District for use in the Preliminary Official Statement and the Official Statement under the heading “UNDERWRITING.”

Section 5. Insurance. During the term of this Purchase Agreement, the Underwriter shall provide and maintain at its own expense professional liability insurance in the amount of One Million Dollars (\$1,000,000) which covers the services performed pursuant to this Purchase Agreement, and that it will expend every reasonable effort to keep such insurance or its equivalent in effect at all times

during performance of the Purchase Agreement and for one (1) year after the termination of the Purchase Agreement. The insurance must: (1) conform to the City's requirements; (2) comply with the Insurance Contractual Requirements attached to the Request for Qualifications, and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management.

Section 6. Warranty and Responsibility of the Underwriter. The Underwriter warrants that the work performed under this Purchase Agreement shall be completed in a manner consistent with professional standards practiced among those firms within the Underwriter's profession, doing the same or similar work under the same or similar circumstances.

Section 7. Mandatory Provisions Pertaining to Non-Discrimination in Employment.

Unless otherwise exempt, this Purchase Agreement is subject to the applicable non-discrimination, equal employment practices, and affirmative action program provisions in the Los Angeles Administrative Code ("LAAC") Section 10.8 et seq., as amended from time to time.

- A. The Underwriter shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Purchase Agreement, the Underwriter shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Purchase Agreement by reference and will be known as the "Equal Employment Practices" provisions of this Purchase Agreement.
- C. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Purchase Agreement by reference and will be known as the "Affirmative Action Program" provisions of this Purchase Agreement.

Any subcontract entered into by the Underwriter for work to be performed under this Purchase Agreement must include an identical provision.

Section 8. Child Support Assignment Orders. The Underwriter shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the Underwriter (and any subcontractor providing services to the District under this Purchase Agreement) shall (1) fully comply with all State and Federal employment reporting requirements for the Underwriter's or the subcontractor's employees; (2) certify that the principal owner(s) of the Underwriter and applicable subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this Purchase Agreement.

Failure of the Underwriter or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the Underwriter or applicable subcontractor to

comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the Underwriter under this Purchase Agreement. Failure of the Underwriter or applicable subcontractor or principal owner to cure the default within 90 days of the notice of default will subject this Purchase Agreement to termination for breach. Any subcontract entered into by the Underwriter for work to be performed under this Purchase Agreement must include an identical provision.

Section 9. Access and Accommodations.

The Underwriter represents and certifies that:

- A. The Underwriter shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. The Underwriter shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The Underwriter shall provide reasonable accommodation upon request to ensure equal access to City-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Purchase Agreement are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The Underwriter understands that the District is relying upon these certifications and representations as a condition to funding this Purchase Agreement. Any subcontract entered into by the Underwriter for work to be performed under this Purchase Agreement must include an identical provision.

Section 10. Contractor Responsibility Ordinance. The Underwriter shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time.

Section 11. Restrictions on Campaign Contributions and Fundraising in City Elections. Unless otherwise exempt, if this Purchase Agreement is valued at \$100,000 or more and requires approval by an elected City office, the Underwriter, the Underwriter's principals, and any subcontractors expected to receive at least \$100,000 for performance under this Purchase Agreement, and the principals of those subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and Los Angeles Municipal Code ("LAMC") Section 49.7.35. Failure to comply entitles the District to terminate this Purchase Agreement and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected City officials or candidates for elected City office for twelve months after this Purchase Agreement is signed. Additionally, the Underwriter subject to Charter Section 470(c)(12) is required to comply with

disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. The Underwriter subject to Charter Section 470(c)(12) shall include the following notice in any contract with any subcontractor to receive at least \$100,000 for performance under this Purchase Agreement:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections.

You are a subcontractor in connection with the Bond Purchase Agreement, dated [____], 2024 (the “Purchase Agreement”), between the City of Los Angeles Community Facilities District No. 4 (Playa Vista – Phase 1) (the “District”) and Stifel, Nicolaus & Company, Incorporated, as the Underwriter. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles officials and candidates for elected City office for twelve months after the Purchase Agreement is signed. You are required to provide the names and contact information of your principals to the Underwriter and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of the Purchase Agreement and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

Section 12. Contractor’s Use of Criminal History for Consideration of Employment Applications. The Underwriter shall comply with the City’s “Contractor Use of Criminal History for Consideration of Employment Applications” Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by the Underwriter for work to be performed under this Purchase Agreement must include an identical provision.

Attachment F

Sample of Potential Insurance Provisions

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 4 (PLAYA VISTA – PHASE 1)
SPECIAL TAX REFUNDING BONDS, SERIES 2024**

Sample of Potential Insurance Provisions

In the event it is determined, in accordance with the resolution (the “Resolution”) authorizing the above-referenced bonds (the “Bonds”), to obtain a municipal bond insurance policy and/or a debt service reserve insurance policy for the Bonds, then the Indenture for the Bonds and other documents relating to the Bonds are expected to require certain changes to incorporate provisions relating to such municipal bond insurance policy and/or a debt service reserve insurance policy. The following reflect certain sample provisions that are expected to be incorporated into such documents following discussions with the provider of the municipal bond insurance policy and/or a debt service reserve insurance policy (the “Bond Insurer”), in addition to any premium to be paid to the Bond Insurer:

- The Community Facilities District would agree to provide the Bond Insurer with all notices and other information it is obligated to provide: (i) under the Continuing Disclosure Certificate for the Bonds; and (ii) to the Bond owners or the Trustee under the Indenture.
- With limited exceptions, the Bond Insurer’s prior written consent would be required for all amendments and supplements to the Indenture.
- Any reorganization or liquidation plan with respect to the Community Facilities District would need to be acceptable to the Bond Insurer.
- The Trustee and the Bond owners must appoint the Bond Insurer as their agent and attorney-in-fact with respect to the Bonds and, upon the occurrence and continuance of an event of default under the Indenture, the Bond Insurer would be deemed to be the sole owner of the Bonds and would be entitled to control and direct the enforcement of all rights and remedies granted to the Bond owners or the Trustee.
- No default or event of default may be waived without the Bond Insurer’s written consent.
- The Community Facilities District would agree to pay or reimburse, as an administrative expense of the Community Facilities District from special tax revenues, the Bond Insurer on demand any and all reasonable charges, fees, costs and expenses that the Bond Insurer may pay or incur, including, but not limited to, fees and expenses of agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Indenture.
- The Bond Insurer would be a third-party beneficiary under the Indenture.
- In the event of a claim on the debt service reserve policy to pay debt service on any Bonds, the Community Facilities District would be required to repay such amounts to the debt

service reserve policy provider, together with interest at a rate not to exceed the legal rate permitted by law.

- In the event of a claim on the municipal bond insurance policy to pay debt service on any Bonds, the insurance provider would become the owner of such Bonds and would be entitled to be paid debt service owed on such Bonds, together with interest at a rate not to exceed the legal rate permitted by law.

Capitalized undefined terms used herein have the meanings ascribed thereto in the Resolution.