City of SANTA CLARITA

ANNUAL REPORT FOR SPECIAL TAXES LEVIED

CITY OF SANTA CLARITA

COMMUNITY FACILITIES DISTRICT NO. 2016-1 (VISTA CANYON)

FISCAL YEAR 2026/27

June 2026

PREPARED BY

Harris & Associates

CITY OF SANTA CLARITA
COMMUNITY FACILITIES DISTRICT NO. 2016-1
(VISTA CANYON)

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COMMUNITY FACILITIES DISTRICT NO. 2016-1 (VISTA CANYON)

INTRODUCTION

The City of Santa Clarita (herein after referred to as "the City") established Community Facilities District No. 2016-1 on April 12, 2016 (herein after referred to as "the District" or "CFD") to pay the costs of acquiring, constructing, or maintaining certain facilities and expenses of CFD No. 2016-1 and to pay debt service on bonded indebtedness.

At the time of formation, retail space, approximately 605,400 square feet of office space, and a hotel with approximately 200 rooms were planned for the Vista Canyon development that comprises the CFD. The CFD Boundary Map is provided as Appendix A of this Report. A Special Tax is levied for Fiscal Year 2025/26 in compliance with the proceedings governing the formation of the CFD. The Special Tax has been levied on each taxable parcel within the CFD according to the provisions of the adopted Rate and Method of Apportionment of Special Taxes (hereinafter the "RMA") for the CFD. The RMA is provided as Appendix B of this Report. The Special Tax has been levied on all of the taxable property within the CFD, except those exempted by law or the express provisions set forth in the RMA. The Fiscal Year 2026/27 Special Tax Roll for the CFD is provided as Appendix C of this Report.

FACILITIES AND SERVICES FINANCED BY THE DISTRICT

A community facilities district may provide for the purchase, construction, expansion, or rehabilitation of any real or other tangible property with an estimated useful life of five (5) years or longer which is necessary to meet increased demands placed upon local agencies as a result of development occurring within a community facilities district. In addition, a community facilities district may provide for the on-going costs for services and infrastructure maintenance as long as those services are in addition to services already received by the property within the district.

Authorized Facilities

The facilities described in the Report are all facilities which the City is authorized, pursuant to the Act, to own, construct, or finance, and which are required to adequately meet the needs of CFD No. 2016-1. The facilities described herein are those currently expected to be required to adequately meet, in part, the needs of CFD No. 2016-1. Because the actual needs of CFD No. 2016-1 arising as development progresses therein may differ from those currently anticipated, the City reserves the

right to modify the facilities proposed herein to the extent the City deems necessary, in its sole Discretion, to meet those needs.

CFD No. 2016-1 will be authorized to finance the construction of all or part of three parking structures, including the Cooper Street Parking Garage with approximately 612 parking spaces, the Vista Canyon Boulevard Parking Garage with approximately 1,115 parking spaces, and the Metrolink Parking Garage with approximately 800 parking spaces. In addition, the CFD will contribute 15% of the net construction proceeds of the CFD Bonds toward funding the construction of a transit center.

Authorized Services

In addition to the improvements above, the CFD is authorized to cover the on-going costs for maintenance and operation of two of the parking structures, including the Cooper Street Parking Garage and the Vista Canyon Boulevard Parking Garage. For Fiscal Year 2026/27, the City will implement the Special Tax for Services to fund these authorized service costs in accordance with the proceedings for CFD No. 2016-1 and the adopted Rate and Method of Apportionment of Special Taxes.

FISCAL YEAR 2024/25 SPECIAL TAX LEVY REVIEW

Revenue and Expenditures

This report includes the following information for the Fiscal Year 2024/25, pursuant to Section 50075.1 of the Government Code of the State of California:

A. The amount of funds collected for the year is $889,712.32.

B. The amount of funds expended for the year is $854,301.30.

C. Project construction status:

- Cooper Street Parking Garage 100% Complete
- Vista Canyon Blvd. Parking Garage 0% Complete
- Metrolink Parking Garage 0% Complete
- Vista Canyon Metrolink Station 100% Complete

    i. Contribution toward construction of the Metrolink Station is $2,647,000 of bond proceeds. As of June 30, 2024, all bond proceeds were expended.

Special Tax Delinquencies

The following table provides special tax delinquency information for Fiscal Year 2025/26 as of June 1, 2026 and as of the date of this report. Fiscal Year 2025/26 was the seventh year of the Special Tax levy.

PARCELS LEVIED	PARCELS DELINQUENT	% OF PARCELS DELINQUENT	DOLLARS LEVIED	DOLLARS DELINQUENT as of June 1, 2026	% OF DOLLARS DELINQUENT as of June 1, 2026
26	1	3.84%	$890,754.06	$57,830.00	6.49%

FISCAL YEAR 2026/27 SPECIAL TAX LEVY SUMMARY

Rate and Method of Apportionment of Special Taxes

The RMA for the CFD establishes specific procedures for the apportionment of Special Taxes which are collected annually, in the same manner and at the same time as ordinary ad valorem property taxes. On or about January 1, each parcel of land subject to the levy of Special Taxes is determined based upon the records of the County Assessor as of the prior fiscal year.

For Fiscal Year 2026/27, the Special Taxes are levied on the taxable parcels in the CFD for both Facilities and Services in accordance with the adopted Rate and Method of Apportionment of Special Taxes.

Method of Apportionment

Commencing with Fiscal Year 2016/17 and for each following Fiscal Year, the City shall levy the Special Tax for Facilities until the amount of Special Tax for Facilities levied equals the Special Tax Requirement for Facilities. Note, even though the City had authority to levy the Special Tax commencing with Fiscal Year 2016/17, the first year that the Special Tax was collected through the County Property Tax Bill was Fiscal Year 2019/20. For Fiscal Year 2026/27, the Special Tax for Facilities is levied based on the procedures described in the following excerpt of the RMA. Appendix B of this report provides a copy of the entire RMA.

1. Apportionment of Special Tax for Facilities prior to Completion of Development

First: The Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Developed Property within Zone 1 at up to 100% of the applicable Assigned Special Tax for Facilities as needed to satisfy the Special Tax Requirement for Facilities;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within Zone 1 at up to 100% of the Maximum Special Tax for Facilities for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Developed Property within Zone 2 at up to 100% of the applicable Assigned Special Tax for Facilities;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within Zone 2 at up to 100% of the Maximum Special Tax for Facilities for Undeveloped Property;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, then the levy of the Special Tax for Facilities on each Assessor's Parcel of Developed Property in Zone 1 and each Assessor's Parcel of Developed Property in Zone 2 for which the Maximum Special Tax for Facilities is determined through the application of the Backup Special Tax for Facilities shall be increased Proportionately from the Assigned Special Tax for Facilities up to the Maximum Special Tax for Facilities for each such Assessor's Parcel;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first five steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property or Taxable Religious Property at up to the Maximum Special Tax for Facilities for Taxable Property Owner Association Property or Taxable Religious Property.

Seventh: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first six steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to the Maximum Special Tax for Facilities for Taxable Public Property.

2. Apportionment of Special Tax for Facilities upon Completion of Development

Once the CFD Administrator has determined that there is no Undeveloped Property in both Zone 1 and Zone 2, the Special Tax for Facilities shall be levied each Fiscal Year as follows:

First: The Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Developed Property within Zone 1 and Zone 2 at up to 100% of the applicable Assigned Special Tax for Facilities as needed to satisfy the Special Tax Requirement for Facilities;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, then the levy of the Special Tax for Facilities on each Assessor's Parcel of Developed Property in Zone 1 and each Assessor's Parcel of Developed Property in Zone 2 for which the Maximum Special Tax for Facilities is determined through the application of the

Backup Special Tax for Facilities shall be increased Proportionately from the Assigned Special Tax for Facilities up to the Maximum Special Tax for Facilities for each such Assessor's Parcel;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property or Taxable Religious Property at up to the Maximum Special Tax for Facilities for Taxable Property Owner Association Property or Taxable Religious Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to the Maximum Special Tax for Facilities for Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax for Facilities levied in a Fiscal Year against any Assessor's Parcel of Apartment Property or Condominium Conversion Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2016-1. To the extent that the levy of the Special Tax for Facilities on Residential Property is limited by the provision in the previous sentence, the levy of the Special Tax for Facilities on all other Assessor's Parcels shall continue in equal percentages at up to 100% of the Maximum Special Tax for Facilities.

Fiscal Year 2026/27 Maximum Special Tax Rates

Maximum Special Tax Rates for Fiscal Year 2026/27 are shown below:

Land Use Class	Description	Assigned Special Tax for Facilities	Assigned Special Tax for Services
1	Apartment Property	$813.06 per Apartment Unit	$169.34 per Apartment Unit
2	Office Property	$1.39 per Square Foot of Floor Area	$.30 per Square Foot of Floor Area
3	Retail Property	$3.65 per Square Foot of Floor Area	$.75 per Square Foot of Floor Area
4	Non-Residential Property	$1.39 per Square Foot of Floor Area	$.29 per Square Foot of Floor Area
5	Hotel Property	$365.69 per Hotel Room	$76.04 per Hotel Room
6	Condominium Conversion Property	$813.06 per Unit	$169.34 per Unit
Undeveloped	Zone 1 Undeveloped Property	$56,952.62 per Acre	$0.00 per Acre
Undeveloped	Zone 2 Undeveloped Property	$141,291.19 per Acre	$0.00 per Acre

On each July 1, Maximum Special Tax Rates shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

Fiscal Year 2026/27 Special Tax Requirement

The Special Tax Requirement for Facilities for Fiscal Year 2026/27 is as follows:

FY 2026/27 Special Tax Requirement	
Bond Interest Due in 2027	$654,600.00
Bond Principal Due in 2027	$225,000.00
Administrative Expenses	$28,717.14
Total Special Tax Requirement	**$908,317.14**

The Special Tax Requirement for Services for Fiscal Year 2026/27 is as follows:

FY 2026/27 Special Tax Requirement
$106,033.20

Fiscal Year 2026/27 Special Tax Summary

The following tables provides a summary of the Fiscal Year 2026/27 Special Tax for Facilities:

Type of Property	# Units / Bldg SF Acres / Rooms	Maximum Special Tax Rate	Maximum Special Tax	FY 2026/27 Special Tax Levy	% of Special Tax Levy
Zone 1					
Developed Property					
Apartment Property	480 Units	$813.06 per Unit	$390,268.80	$390,268.80	43.0%
Office Property	40,000 Bldg SF	$1.39 per Bldg SF	$55,600.00	$55,600.00	6.1%
Retail Property	17,000 Bldg SF	$3.65 per Bldg SF	$62,050.00	$62,050.00	6.8%
Non-Residential Property	0 Bldg SF	$1.39 per Bldg SF	$0.00	$0.00	0.0%
Hotel Property	0 Rooms	$365.69 per Room	$0.00	$0.00	0.0%
Undeveloped Property	2.809 Acres	$56,952.62 per Acre	$159,979.91	$159,979.91	17.6%
Zone 1 Subtotals			**$667,898.71**	**$667,898.71**	**73.5%**
Zone 2					
Developed Property					
Apartment Property	0 Units	$813.06 per Unit	$0.00	$0.00	0.0%
Office Property	0 Bldg SF	$1.39 per Bldg SF	$0.00	$0.00	0.0%
Retail Property	0 Bldg SF	$3.65 per Bldg SF	$0.00	$0.00	0.0%
Non-Residential Property	0 Bldg SF	$1.39 per Bldg SF	$0.00	$0.00	0.0%
Hotel Property	0 Rooms	$365.69 per Room	$0.00	$0.00	0.0%
Undeveloped Property	12.026 Acres	$141,291.19 per Acre	$1,699,167.77	$240,418.43	26.5%
Zone 2 Subtotals			**$1,699,167.77**	**$240,418.43**	**26.5%**
CFD Totals			**$2,367,066.48**	**$908,317.14**	**100.0%**

The following tables provides a summary of the Fiscal Year 2026/27 Special Tax for Services:

Type of Property	# Units / Bldg SF Acres / Rooms	Maximum Special Tax Rate	Maximum Special Tax	FY 2026/27 Special Tax Levy	% of Special Tax Levy
Zone 1					
Developed Property					
Apartment Property	480 Units	$169.34 per Unit	$81,283.20	$81,283.20	76.7%
Office Property	40,000 Bldg SF	$0.30 per Bldg SF	$12,000.00	$12,000.00	11.3%
Retail Property	17,000 Bldg SF	$0.75 per Bldg SF	$12,750.00	$12,750.00	12.0%
CFD Totals			**$106,033.20**	**$106,033.20**	**100%**

Fiscal Year 2026/27 Special Tax Rolls

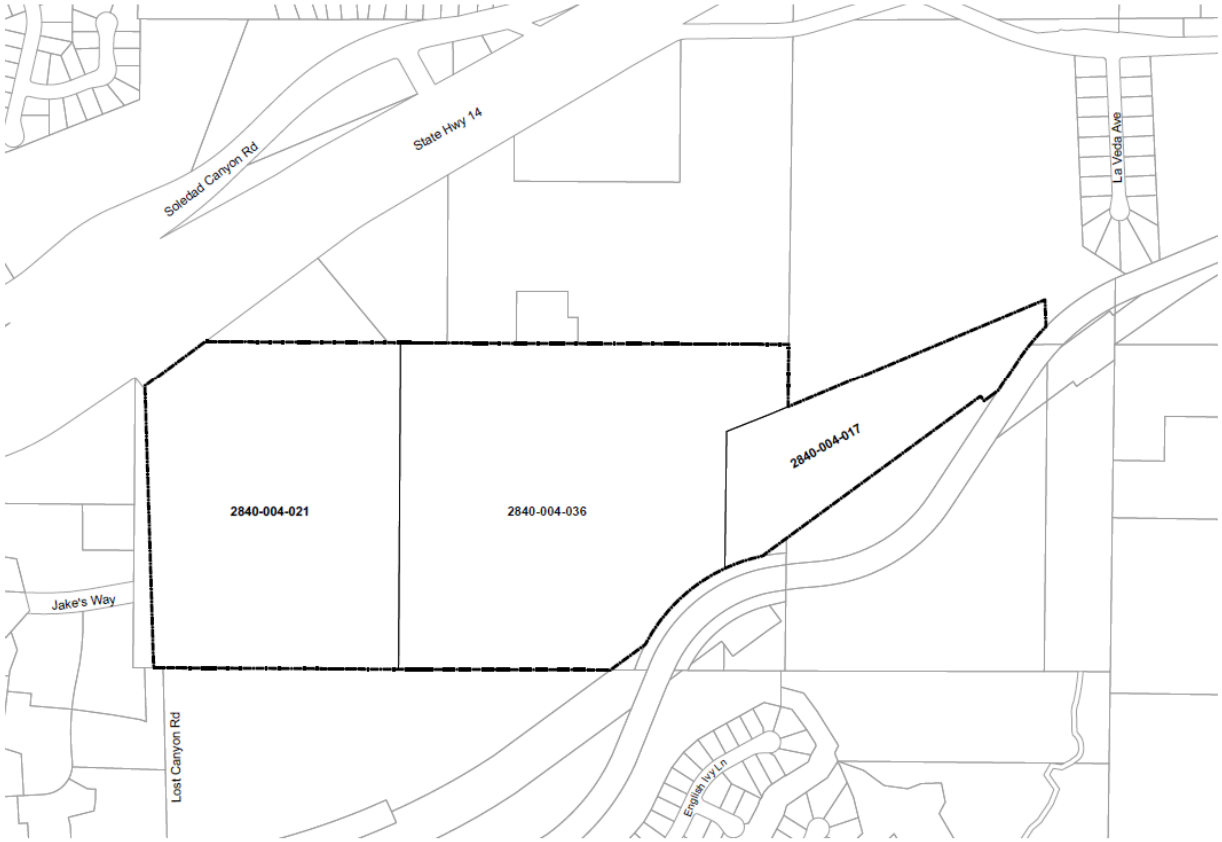
The Special Tax Rolls lists the amount levied on each taxable parcel within the boundaries of the CFD for Fiscal Year 2026/27. A copy of the Special Tax Rolls are included in Appendix C and D.

APPENDIX A

CFD Boundary Map

PROPOSED BOUNDARIES OF COMMUNITY FACILITY DISTRICT NO. 2016-1 (VISTA CANYON)

CITY OF SANTA CLARITA, LOS ANGELES COUNTY
STATE OF CALIFORNIA



REFERENCE THE LOS ANGELES COUNTY ASSESSOR'S MAPS FOR A DETAILED DESCRIPTION OF PARCEL LINES AND DIMENSIONS.

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SANTA CLARITA THIS ____ DAY OF _____, 20____.

_____
CITY CLERK OF THE CITY OF SANTA CLARITA

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARY OF THE CITY OF SANTA CLARITA COMMUNITY FACILITY DISTRICT NO. 2016-1 (VISTA CANYON), CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARITA AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____ 20 ___ BY ITS RESOLUTION NO. _____.

_____
CITY CLERK OF THE CITY OF SANTA CLARITA

FILED THIS _____ DAY OF _____ 20____, AT THE HOUR OF _____ O'CLOCK _____ M, IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS PAGE NOS. _____, IN THE OFFICE OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

_____
COUNTY RECORDER OF THE COUNTY OF LOS ANGELES

LEGEND

ASSESSOR'S PARCEL LINE
DISTRICT BOUNDARY

0 105 210 420 630 840 Feet

Sheet 1 of 1

Harris & Associates
22 Executive Park, Suite 200
Irvine, California 92614
800-827-4901

APPENDIX B

Rate and Method of Apportionment

RATE AND METHOD OF APPORTIONMENT FOR
CITY OF SANTA CLARITA
COMMUNITY FACILITIES DISTRICT NO. 2016-1
(VISTA CANYON)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in City of Santa Clarita Community Facilities District No. 2016-1 (Vista Canyon) ("CFD No. 2016-1") and collected each Fiscal Year commencing in Fiscal Year 2016-17, in an amount determined by the City Council through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2016-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

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

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

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2016-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2016-1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, CFD No. 2016-1 or any designee thereof of complying with disclosure requirements of the City, CFD No. 2016-1 or obligated persons associated with applicable federal and state securities laws and the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2016-1 or any designee thereof related to an appeal of any Special Tax levy; the costs associated with the release of funds from an escrow account; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated by the CFD Administrator or advanced by the City or CFD No. 2016-1 for any other administrative purposes of CFD No. 2016-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure action to collect delinquent Special Taxes.

"Apartment Property" means any Assessor's Parcel for which one or more building permits have been issued for attached residential units, all of which are made available for rental, but not purchase, by the general public.

"Apartment Unit" means a for-rent residential unit located on an Assessor's Parcel of Apartment Property.

"Assessor's Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's parcel number.

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

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

"Backup Special Tax for Facilities" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 2016-1 under the Act.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Facilities, the Special Tax Requirement for Services, as described in Section I, and providing for the levy and collection of the Special Taxes.

"CFD No. 2016-1" means City of Santa Clarita Community Facilities District No. 2016-1 (Vista Canyon).

"City" means the City of Santa Clarita.

"Condominium Conversion Property" means any Assessor's Parcel previously classified as Apartment Property, or any portion thereof, that has converted to condominium units for purchase by the general public.

"Council" means the City Council of the City, acting as the legislative body of CFD No. 2016-1.

"County" means the County of Los Angeles, California.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Taxable Property Owner Association Property, Taxable Public Property, and Taxable Religious Property, for which a building permit for new construction was issued prior to May 1 of the prior Fiscal Year. Notwithstanding the foregoing, (a) if a building permit is revoked, expired or otherwise cancelled and a new building permit is issued for the same property prior to the issuance of Bonds, then, the building square footage and building type as indicated on the new building permit shall thereafter be used for purposes of determining the Land Use Class, (b) if a building permit is revoked, expired or otherwise cancelled and a new building permit is issued for the same property after the issuance of Bonds, and the amount of Assigned Special Tax for Facilities which may be levied pursuant to the new building permit is greater than the Assigned Special Tax for Facilities which may be levied pursuant to the original building permit, then the building square footage and building type as indicated on the new building permit shall thereafter be used for purposes of determining the Land Use Class, otherwise the Land Use Class pursuant to the original building permit shall continue to be used, and (c) if a building permit is revoked, expired or otherwise cancelled and no new building permit is issued for the same property, then the property will continue to be considered Developed Property and taxed based on the original building permit.

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

"Floor Area" means the total building square footage of the building(s) located on an Assessor's Parcel, measured from outside wall to outside wall, not including space devoted to stairwells, public restrooms, lighted courts, vehicle parking and areas incident thereto, and mechanical equipment incidental to the operation of such building(s). The determination of Floor Area shall

be made by reference to the building permit(s) issued for such Assessor's Parcel and/or to the appropriate records kept by the City, as reasonably determined by the CFD Administrator.

"Hotel Property" means Assessor's Parcels of Developed Property for which a building permit has been issued by the City permitting the construction of a non-residential structure that constitutes a place of lodging providing sleeping accommodations and related facilities for travelers.

"Hotel Room" means a hotel room or suite available for overnight lodging located on an Assessor's Parcel of Hotel Property.

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

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

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

"Non-Residential Property" means all Assessor's Parcels of Developed Property, exclusive of Office Property, Retail Property and Hotel Property, for which a building permit(s) was issued for a non-residential use.

"Office Property" means Assessor's Parcels of Developed Property for which a building permit has been issued by the City permitting the construction of one or more non-residential facilities which is primarily used for: professional or medical offices, or for any other uses that are consistent with office land use designations, as determined by the City.

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

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

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

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2016-1 that is owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association as of January 1 of the prior Fiscal Year.

"Proportionately" means (i) with respect to the Special Tax for Facilities, (A) for Developed Property that the ratio of the actual Special Tax for Facilities levy to the Assigned Special Tax for Facilities is equal for all Assessor's Parcels of Developed Property within CFD No. 2016-1, (B) for Undeveloped Property, that the ratio of the actual Special Tax for Facilities levy per Acre to the Maximum Special Tax for Facilities per Acre is equal for all Assessor's Parcels of Undeveloped Property in CFD No. 2016-1, and (C) for Taxable Public Property, Taxable Property Owner Association Property and Taxable Religious Property, that the ratio of the actual Special Tax for Facilities levy per Acre to the Maximum Special Tax for Facilities per Acre is equal for all Assessor's Parcels of Taxable Public Property, Taxable Property Owner Association Property or Taxable Religious Property, as applicable, and (ii) with respect to the Special Tax for Services, for

Developed Property that the ratio of the actual Special Tax for Services levy to the Maximum Special Tax for Services is equal for all Assessor's Parcels of Developed Property within CFD No. 2016-1.

"Public Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2016-1 that is used for rights-of-way or any other purpose and is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency as of January 1 of the prior Fiscal Year; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use. In order to ensure that such property is correctly classified as Public Property, the owner of such property shall provide the CFD Administrator with a copy of any applicable documents.

"Religious Property" means, for each Fiscal Year, all property within the boundaries of CFD No. 2016-1 which (i) is either (a) used primarily as a place of worship or (b) vacant land or land under construction that is intended to be used primarily as a place of worship as determined by the CFD Administrator; and (ii) is exempt from *ad valorem* property taxes because it is owned by a religious organization as of January 1 of the prior Fiscal Year. Religious Property, without limitation, does not include any Assessor's Parcels used primarily for religious schools, day care centers, or congregate care facilities.

"Residential Property" means all Assessor's Parcels of Developed Property, not including Apartment Property or Condominium Conversion Property, for which a building permit has been issued for purposes of constructing one or more for-sale residential dwelling units.

"Retail Property" means Assessor's Parcels of Developed Property for which a building permit has been issued by the City permitting the construction of one or more non-residential facilities which is primarily used for: the sale of general merchandise, hard goods, personal services, and other items directly to consumers, or other uses that are consistent with retail land use designations, as determined by the City.

"Special Tax" means, as applicable, the Special Tax for Facilities or the Special Tax for Services.

"Special Tax for Facilities" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property by CFD No. 2016-1 pursuant to the Act to fund the Special Tax Requirement for Facilities.

"Special Tax Requirement for Facilities" means for each Fiscal Year, that amount required for CFD No. 2016-1 to pay the sum of: (i) debt service on all Outstanding Bonds or Bonds expected to be issued in such Fiscal Year; (ii) periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) Administrative Expenses related to the Special Tax for Facilities; (iv) any amounts required to establish a reserve fund for Bonds expected to be issued in such Fiscal Year or replenish any reserve funds established by the Indenture for any Outstanding Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement for Facilities in a previous Fiscal Year; and (v) any amounts required for construction of facilities eligible to be constructed or acquired by CFD No. 2016-1 under the Act, provided that such amounts do not increase the Special Tax for Facilities levied on Undeveloped Property, Taxable Public Property, Taxable Religious Property, and Taxable Property Owners' Association Property. In arriving at the Special Tax Requirement for Facilities, the CFD Administrator shall take into account the reasonably anticipated delinquent Special Tax for Facilities based on the delinquency rate for Special Tax for Facilities levied in the previous

Fiscal Year and shall give a credit for funds available to reduce the annual Special Tax for Facilities levy.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2016-1 which are not exempt from the Special Tax for Facilities pursuant to law or Section E below.

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

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

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

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

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property.

"Zone" means any one of the separate geographic areas within CFD No. 2016-1 designated on Exhibit A herein as: Zone 1 or Zone 2.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, commencing with Fiscal Year 2016-17, each Assessor's Parcel of Taxable Property within Zone 1 and each Assessor's Parcel of Taxable Property within Zone 2 shall be classified as Developed Property, Taxable Public Property, Taxable Property Owner Association Property, Taxable Religious Property, or Undeveloped Property, and shall be subject to Special Tax for Facilities in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

The Assigned Special Tax for Facilities for each Assessor's Parcel of Developed Property shall be based on the Land Use Class for such Assessor's Parcel.

C. MAXIMUM SPECIAL TAX FOR FACILITIES

1. Developed Property

a. Maximum Special Tax for Facilities

The Maximum Special Tax for Facilities for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax for Facilities or (ii) the amount derived by application of the Backup Special Tax for Facilities for the Zone in which such Assessor's Parcel is located.

b. Assigned Special Tax for Facilities

The Assigned Special Tax for Facilities for each Land Use Class for Fiscal Year 2016-17 is shown below in Table 1.

TABLE 1
Zone 1 and Zone 2
For Fiscal Year 2016-17
Assigned Special Tax for Facilities for Developed Property

Land Use Class	Description	Assigned Special Tax for Facilities
1	Apartment Property	$667.00 per Apartment Unit
2	Office Property	$1.15 per square foot of Floor Area
3	Retail Property	$3.00 per square foot of Floor Area
4	Non-Residential Property	$1.15 per square foot of Floor Area
5	Hotel Property	$300.00 per Hotel Room
6	Condominium Conversion Property	$667.00 per Unit

c. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. In such cases, the Acreage of the Assessor's Parcel shall be allocated between the different Land Use Classes based on the site plan or other available information. The Maximum Special Tax for Facilities that can be levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax for Facilities that can be levied on each type of property located on that Assessor's Parcel.

d. Backup Special Tax for Facilities

The Backup Special Tax for Facilities for Assessor's Parcels of Developed Property in Zone 1 shall equal $46,721 per Acre for Fiscal Year 2016-17, and the Backup Special Tax for Facilities for Assessor's Parcels of Developed Property in Zone 2 shall equal $115,908 per Acre for Fiscal Year 2016-17.

e. Increase in the Assigned Special Tax for Facilities and Backup Special Tax for Facilities

On each July 1, commencing on July 1, 2017, the Assigned Special Tax for Facilities and the Backup Special Tax for Facilities for Developed Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

2. Taxable Property Owner Association Property, Taxable Public Property, Taxable Religious Property, and Undeveloped Property

a. Maximum Special Tax for Facilities

For Fiscal Year 2016-17, the Maximum Special Tax for Facilities for Taxable Property Owner Association Property, Taxable Public Property, Taxable Religious Property, and Undeveloped Property shall equal $46,721 per Acre for Assessor's Parcels in Zone 1 and $115,908 per Acre for Assessor's Parcels in Zone 2.

b. Increase in the Maximum Special Tax for Facilities

On each July 1, commencing on July 1, 2017, the Maximum Special Tax for Facilities for Taxable Property Owner Association Property, Taxable Public Property, Taxable Religious Property, and Undeveloped Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX FOR FACILITIES

Commencing with Fiscal Year 2016-17 and for each following Fiscal Year, the City shall levy the Special Tax for Facilities until the amount of Special Tax for Facilities levied equals the Special Tax Requirement for Facilities. The Special Tax for Facilities shall be levied each Fiscal Year as follows:

1. Apportionment of Special Tax for Facilities prior to Completion of Development

First: The Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Developed Property within Zone 1 at up to 100% of the applicable Assigned Special Tax for Facilities as needed to satisfy the Special Tax Requirement for Facilities;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within Zone 1 at up to 100% of the Maximum Special Tax for Facilities for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Developed Property within Zone 2 at up to 100% of the applicable Assigned Special Tax for Facilities;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property within Zone 2 at up to 100% of the Maximum Special Tax for Facilities for Undeveloped Property;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, then the levy of the Special Tax for Facilities on each Assessor's Parcel of Developed Property in Zone 1 and each Assessor's Parcel of Developed Property in Zone 2 for which the Maximum Special Tax for Facilities is determined through the application of the Backup Special Tax for Facilities shall be increased Proportionately from the Assigned Special Tax for Facilities up to the Maximum Special Tax for Facilities for each such Assessor's Parcel;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first five steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property or Taxable Religious Property at up to the Maximum Special Tax for Facilities for Taxable Property Owner Association Property or Taxable Religious Property.

Seventh: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first six steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to the Maximum Special Tax for Facilities for Taxable Public Property.

2. Apportionment of Special Tax for Facilities upon Completion of Development

Once the CFD Administrator has determined that there is no Undeveloped Property in both Zone 1 and Zone 2, the Special Tax for Facilities shall be levied each Fiscal Year as follows:

First: The Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Developed Property within Zone 1 and Zone 2 at up to 100% of the applicable Assigned Special Tax for Facilities as needed to satisfy the Special Tax Requirement for Facilities;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, then the levy of the Special Tax for Facilities on each Assessor's Parcel of Developed Property in Zone 1 and each Assessor's Parcel of Developed Property in Zone 2 for which the Maximum Special Tax for Facilities is determined through the application of the Backup Special Tax for Facilities shall be increased Proportionately from the Assigned Special Tax for Facilities up to the Maximum Special Tax for Facilities for each such Assessor's Parcel;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property or Taxable Religious Property at up to the Maximum Special Tax for Facilities for Taxable Property Owner Association Property or Taxable Religious Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to the Maximum Special Tax for Facilities for Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax for Facilities levied in a Fiscal Year against any Assessor's Parcel of Apartment Property or Condominium Conversion Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2016-1. To the extent that the levy of the Special Tax for Facilities on Residential Property is limited by the provision in the previous sentence, the levy of the Special Tax for Facilities on all other Assessor's Parcels shall continue in equal percentages at up to 100% of the Maximum Special Tax for Facilities.

E. EXEMPTIONS

No Special Tax for Facilities shall be levied on any Assessor's Parcels of Residential Property. In addition, the CFD Administrator shall classify Property Owner Association Property, Public Property, and Religious Property as exempt from the Special Tax for Facilities, provided that no such classification would reduce the Acreage of Taxable Property to less than 14.75 Acres in Zone 1 and 10.60 Acres in Zone 2. Special Taxes for Facilities shall not be levied on any Assessor's Parcel, or portion thereof, not within Zone 1 or Zone 2.

Tax-exempt status will be assigned to Assessor's Parcels by the CFD Administrator in the chronological order in which such Assessor's Parcels become Property Owner Association Property, Public Property, or Religious Property. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property, Public Property, or Religious Property its tax-exempt status will be revoked and it will thereafter be classified as Developed Property or Undeveloped Property in accordance with Section D above.

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

F. MANNER OF COLLECTION

The Special Tax for Facilities shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2016-1 may directly bill the Special Tax for Facilities, may collect the Special Tax for Facilities at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

Tenders of Bonds may be accepted for payment of the Special Tax for Facilities upon the terms and conditions established by the Act and permitted by CFD No. 2016-1. The use of Bond tenders shall only be allowed on a case-by-case basis as specifically approved by the Council.

G. PREPAYMENT OF SPECIAL TAX FOR FACILITIES

The following definitions apply to this Section G:

"CFD Public Facilities Cost" means either $29,000,000 million in 2016 dollars, which shall increase by the Construction Inflation Index on July 1, 2017, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 2016-1 under the authorized bonding program for CFD No. 2016-1, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds to be supported by the Special Tax for Facilities levied under this Rate and Method of Apportionment as described in Section D.

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"Construction Inflation Index" means, for a Fiscal Year, the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator

that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

"Future Facilities Costs" means the CFD Public Facilities Cost minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

"Outstanding Bonds" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 2016-1 prior to the date of prepayment.

1. **Prepayment in Full**
   The obligation to pay the Special Tax for Facilities for an Assessor's Parcel may be prepaid and permanently satisfied as described herein; provided that there are no delinquent amounts of Special Tax for Facilities with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax for Facilities obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this figure. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

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

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

   As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

   Paragraph No.:

   1. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax for Facilities and Backup Special Tax for Facilities applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Undeveloped Property for which a building permit has been issued, compute the Assigned Special Tax for Facilities and Backup Special Tax for Facilities for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel. For Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Property Owner Association Property, Taxable Public Property,

or Taxable Religious Property, compute the Maximum Special Tax for Facilities for the Assessor's Parcel to be prepaid.

2. (a) For an Assessor's Parcel of Developed Property or Undeveloped Property for which a building permit has been issued (i) Divide the Assigned Special Tax for Facilities computed pursuant to paragraph 1 by the total estimated Assigned Special Tax for Facilities for the entire CFD No. 2016-1 based on the Developed Property Special Tax for Facilities which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 2016-1, excluding any Assessor's Parcels which have been prepaid, and (ii) Divide the Backup Special Tax for Facilities computed pursuant to paragraph 1 by the total estimated Backup Special Tax for Facilities for the entire CFD No. 2016-1 based on the Backup Special Tax for Facilities which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 2016-1, excluding any Assessor's Parcels which have been prepaid.

   (b) For Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, divide the Maximum Special Tax for Facilities computed pursuant to paragraph 1 by the total estimated Maximum Special Tax for Facilities for the entire CFD No. 2016-1 based on the Maximum Special Tax for Facilities which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 2016-1, excluding any Assessor's Parcels which have been prepaid.

3. Multiply the larger of quotient (i) and (ii) computed pursuant to paragraph 2(a) for Assessor's Parcels of Developed Property or Undeveloped Property for which a building permit has been issued, or the quotient computed pursuant to paragraph 2(b) for Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").

4. Multiply the Bond Redemption Amount computed pursuant to paragraph 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").

5. Compute the current Future Facilities Costs.

6. Multiply the larger of quotient (i) and (ii) computed pursuant to paragraph 2(a) for Assessor's Parcels of Developed Property or Undeveloped Property for which a building permit has been issued, or the quotient computed pursuant to paragraph 2(b) for Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, by the amount determined pursuant to paragraph 5 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").

7. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

8. Confirm that no Special Tax for Facilities delinquencies apply to such Assessor's Parcel.

9. Determine the amount of Special Tax for Facilities levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.

10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

11. Add the amounts computed pursuant to paragraphs 7 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").

12. Verify the administrative fees and expenses of CFD No. 2016-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.

14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the larger of quotient (i) and (ii) computed pursuant to paragraph 2(a) for Assessor's Parcels of Developed Property or Undeveloped Property for which a building permit has been issued, or the quotient computed pursuant to paragraph 2(b) for Assessor's Parcels of Undeveloped Property for which a building permit has not been issued, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property, by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

15. The Special Tax for Facilities prepayment is equal to the sum of the amounts computed pursuant to paragraphs 3, 4, 6, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Prepayment Amount").

16. From the Prepayment Amount, the amounts computed pursuant to paragraphs 3, 4, 11, 13 and 14 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 6 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 2016-1.

The Prepayment Amount may be sufficient to redeem other than a $5,000 increment of Bonds. In such cases, the increment above $5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

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

Notwithstanding the foregoing, no prepayment will be allowed unless (i) the amount of Maximum Special Tax for Facilities that may be levied on Taxable Property (based on expected development at build out), after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and (ii) the amount of Maximum Special Tax for Facilities that may be levied on non-delinquent Taxable Property (based on expected development at build out) after the proposed prepayment, less expected Administrative Expenses, shall be at least equal to the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year.

2. Prepayment in Part

The Special Tax for Facilities for an Assessor's Parcel of Taxable Property may be partially prepaid. The amount of the prepayment shall be calculated as in Section G.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = [(P_E - AE) \times F] + AE$$

These terms have the following meaning:

AE	=	the Administrative Fees and Expenses
PP	=	the partial prepayment amount
P_E	=	the Prepayment Amount calculated according to Section G.1
F	=	the percentage by which the owner of the Assessor's Parcel is partially prepaying the Special Tax for Facilities.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax for Facilities and the percentage by which the Special Tax for Facilities shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for Facilities for an Assessor's Parcel within thirty (30) days of the request and may charge a reasonable fee for providing this service. With respect to any Assessor's Parcel for which the Special Tax for Facilities is partially prepaid, CFD No. 2016-1 shall (i) distribute the funds remitted to it according to Section G.1, and (ii) indicate in the records of CFD No. 2016-1 that there has been a partial prepayment of the Special Tax for Facilities and that a portion of the Special Tax for Facilities with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the Assigned Special Tax for Facilities, Backup Special Tax for Facilities and Maximum Special Tax for Facilities, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no partial prepayment will be allowed unless (i) the amount of Maximum Special Tax for Facilities that may be levied on Taxable Property (based on expected development at build out), after the proposed partial prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and (ii) the amount of Maximum Special Tax for Facilities that may be levied on non-delinquent Taxable Property (based on expected development at build out) after the proposed partial prepayment, less expected Administrative Expenses, shall be at least equal to the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year.

H. TERM OF SPECIAL TAX FOR FACILITIES

The Special Tax for Facilities shall be levied until the final maturity of the last series of Bonds, provided that that the Special Tax for Facilities shall not be levied later than Fiscal Year 2060-61.

I. SPECIAL TAX FOR SERVICES

1. Definitions

The following definitions apply to this Section I:

"Annual Escalation Factor" means the greater of (i) annual percent increase, as of December 2016 and each December thereafter, in the Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County area and (ii) 0%.

"Maintenance Costs" means for each Fiscal Year, the estimated costs to maintain Parking Structure 1 and Parking Structure 2 which have been accepted and maintained by the City or are reasonably expected to be accepted and maintained by the City during the current Fiscal Year,

"Maximum Special Tax for Services" means for each Fiscal Year and for each Assessor's Parcel, the maximum Special Tax for Services that can be levied by CFD No. 2016-1 on such Assessor's Parcel.

"Operating Fund" means a fund that shall be maintained for CFD No. 2016-1 for any Fiscal Year to pay for the actual costs of maintenance related to the Service Area, and the applicable Administrative Expenses.

"Operating Fund Balance" means the amount of funds in the Operating Fund at the end of the preceding Fiscal Year.

"Parking Structure 1" means the parking structure known as the Cooper Street Parking Garage.

"Parking Structure 2" means the parking structure known as the Vista Canyon Boulevard Parking Garage.

"Service Area" means parking structure maintenance within the boundary of CFD No. 2016-

1, which may include, but is not limited to: automated gate maintenance, parking space restriping, concrete repair and elevator maintenance.

"Special Tax for Services" means any of the special taxes authorized to be levied within CFD No. 2016-1 pursuant to the Act to fund the Special Tax Requirement for Services.

"Special Tax Requirement for Services" means for each Fiscal Year, the amount determined for CFD No. 2016-1 equal to (i) the Maintenance Costs, (ii) Administrative Expenses related to the Special Tax for Services and (iii) anticipated delinquent Special Taxes for Services based on the delinquency rate in CFD No. 2016-1 for the previous Fiscal Year, less (iv) the Operating Fund Balance, as determined by the CFD Administrator.

2. Maximum Special Tax for Services

Developed Property Land Use Classes, as identified in Section B, shall be used in assigning the Maximum Special Tax for Services amount for each Assessor's Parcel of Developed Property within CFD No. 2016-1 as shown in Table 2 below.

TABLE 2
Zone 1 and Zone 2
For Fiscal Year 2016-17
Maximum Special Tax for Services for Developed Property

Land Use Class	Description	Maximum Special Tax for Services
1	Apartment Property	$120.50 per Apartment Unit
2	Office Property	$0.21 per square foot of Floor Area
3	Retail Property	$0.54 per square foot of Floor Area
4	Non-Residential Property	$0.21 per square foot of Floor Area
5	Hotel Property	$54.18 per Hotel Room
6	Condominium Conversion Property	$120.50 per Unit

On each July 1, commencing on July 1, 2017, the Maximum Special Tax for Services shall be increased by an amount equal to the Annual Escalation Factor multiplied by the Maximum Special Tax for Services in effect for the previous Fiscal Year.

3. Method of Apportionment of the Special Tax for Services

Commencing the Fiscal Year following the determination that a property owner association is not maintaining Parking Structure 1 or Parking Structure 2 in accordance with a maintenance agreement with the City and for each subsequent Fiscal Year for which a property owner association is not maintaining Parking Structure 1 or Parking Structure 2, the City shall levy Special Taxes for Services Proportionately on all Developed Property within CFD No. 2016-1, up to the applicable Maximum Special Tax for Services to fund the Special Tax Requirement for Services.

4. Duration of the Special Tax for Services

The Special Tax for Services shall be levied in perpetuity to fund the Special Tax Requirement for Services, unless no longer required as determined at the sole discretion of the Council.

5. Exemptions from the Special Tax for Services

No Special Tax for Services shall be levied on Residential Property, Undeveloped Property, Property Owner Association Property, Public Property and Religious Property.

6. Manner of Collection of the Special Tax for Services

The Special Tax for Services shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2016-1 may collect the Special Tax for Services at a different time or in a different manner, including direct billing, if necessary to meet its funding requirements.

7. Prepayment of the Special Tax for Services

The Special Tax for Services may not be prepaid.

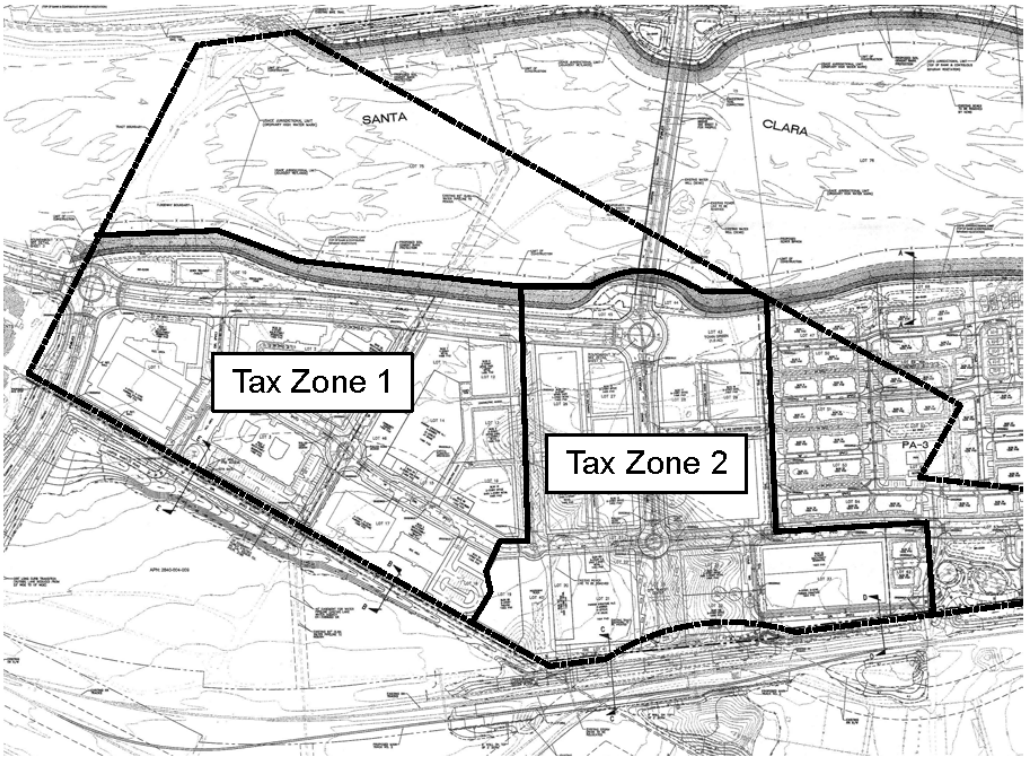
J. APPEALS AND INTERPRETATIONS

Any landowner who feels that the amount of the Special Taxes levied on their Assessor's Parcel is in error may submit a written appeal to the CFD Administrator. The CFD Administrator shall review the appeal. If the City concurs, no refund shall be given; however, the amount of the Special Taxes levied shall be appropriately reduced in the following Fiscal Year(s). The CFD Administrator may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguities and make determinations relative to the annual administration of the Special Taxes and any landowner appeals.

EXHIBIT A

CITY OF SANTA CLARITA
COMMUNITY FACILITY DISTRICT NO. 2016-1
(VISTA CANYON)

TAX ZONE DESIGNATION



Legend

CFD Boundary

Tax Zone Boundary

TTM 69164 (4/26/11)

APPENDIX C

Special Tax Roll for Facilities

Zone 1											
Property Owner / APN	Tract & Lot No.		Gross Acres	Units	Building Sq Ft	Land Use	Status	Applied Special Tax Rate	Applied Special Tax	Levy	FY 2026/27 Special Tax Levy
Jefferson Vista Canyon											
2840-029-013	69164-1	3	9.830	352		Apartments	Developed	$813.06 / Unit	$286,197.12	100.0%	$286,197.12
2840-029-014	69164-1	4	2.960	128		Apartments	Developed	$813.06 / Unit	$104,071.68	100.0%	$104,071.68
2840-029-015	69164-1	5	0.369			Association	Non-Taxable	$0.00 / Parcel	$0.00	0.0%	$0.00
Jefferson Vista Canyon Subtotal			**13.159**	**480**					**$390,268.80**		**$390,268.80**
Vista Canyon Phase I											
2840-034-025	69164-1	2	0.308			Association	Non-Taxable	$0.00 / Parcel	$0.00	0.0%	$0.00
2840-029-034	69164-1	8	0.309			Association	Non-Taxable	$0.00 / Parcel	$0.00	0.0%	$0.00
2840-029-035	69164-1	8	0.129			Association	Non-Taxable	$0.00 / Parcel	$0.00	0.0%	$0.00
2840-029-904	69164-1	8	0.000			Association	Non-Taxable	$0.00 / Parcel	$0.00	0.0%	$0.00
2840-029-021	69164-1	11	0.716			Mixed Use	Undeveloped	$56,952.62 / Acre	$40,778.08	100.0%	$40,778.08
2840-029-025	69164-1	15	0.948			Association	Non-Taxable	$0.00 / Parcel	$0.00	0.0%	$0.00
2840-029-026	69164-1	16	0.579			Association	Non-Taxable	$0.00 / Parcel	$0.00	0.0%	$0.00
2840-029-027	69164-1	17	0.898			Association	Non-Taxable	$0.00 / Parcel	$0.00	0.0%	$0.00
2840-029-028	69164-1	18	0.380			Association	Non-Taxable	$0.00 / Parcel	$0.00	0.0%	$0.00
2840-029-031	69164-1	12	0.361			Mixed Use	Undeveloped	$56,952.62 / Acre	$20,559.90	100.0%	$20,559.90
2840-029-902	69164-1	12	0.000			Mixed Use	Undeveloped	$56,952.62 / Acre	$0.00	100.0%	$0.00
Vista Canyon Phase I Subtotal			**4.628**						**$61,337.97**		**$61,337.97**
VC Lincoln I											
2840-029-016	69164-1	6	0.912			Mixed Use	Undeveloped	$56,952.62 / Acre	$51,940.79	100.0%	$51,940.79
2840-029-019	69164-1	9	0.835			Mixed Use	Undeveloped	$56,952.62 / Acre	$47,555.44	100.0%	$47,555.44
2840-029-020	69164-1	10	0.617		17,000	Retail	Developed	$3.65 / Sq Ft	$62,050.00	100.0%	$62,050.00
					40,000	Office	Developed	$1.39 / Sq FT	$55,600.00	100.0%	$55,600.00
VC Lincoln I Subtotal			**2.364**		**57,000**				**$217,146.23**		**$217,146.23**
City of Santa Clarita											
2840-029-032	69164-1	7	0.474			Parking	Non-Taxable	$0.00 / Parcel	$0.00	100.0%	$0.00
2840-029-033	69164-1	7	0.473			Parking	Non-Taxable	$0.00 / Parcel	$0.00	100.0%	$0.00
2840-029-903	69164-1	7	0.473			Parking	Non-Taxable	$0.00 / Parcel	$0.00	100.0%	$0.00
City of Santa Clarita Subtotal			**1.420**						**$0.00**		**$0.00**
Zone 1 Subtotal			**21.571**	**480**	**57,000**				**$668,753.00**		**$668,753.00**

Zone 2											
Property Owner / APN	Tract & Lot No.		Acres	Units	Building Sq Ft	Land Use	Status	Applied Special Tax Rate	Applied Special Tax	Levy	FY 2026/27 Special Tax Levy
VC Lincoln I											
2840-029-023	69164-1	13	0.581			Mixed Use	Undeveloped	$141,291.19 / Acre	$82,090.18	14.1%	$11,573.82
VC Lincoln I Subtotal			**0.581**						**$82,090.18**		**$11,573.82**
Vista Canyon Phase I											
2840-029-024	69164-1	14	0.799			Mixed Use	Undeveloped	$141,291.19 / Acre	$112,891.66	14.1%	$15,916.49
2840-030-012	69164-2	1	0.672			Apartments	Undeveloped	$141,291.19 / Acre	$94,947.67	14.1%	$13,386.59
2840-030-013	69164-2	1	0.004			Apartments	Undeveloped	$141,291.19 / Acre	$565.16	14.1%	$79.68
2840-030-014	69164-2	2	0.248			Apartments	Undeveloped	$141,291.19 / Acre	$35,040.21	14.1%	$4,940.29
2840-030-015	69164-2	2	0.135			Apartments	Undeveloped	$141,291.19 / Acre	$19,074.31	14.1%	$2,689.27
2840-030-016	69164-2	3	0.08			Apartments	Undeveloped	$141,291.19 / Acre	$11,303.29	14.1%	$1,593.64
2840-030-017	69164-2	3	0.227			Apartments	Undeveloped	$141,291.19 / Acre	$32,073.10	14.1%	$4,521.96
2840-030-018	69164-2	4	0.004			Apartments	Undeveloped	$141,291.19 / Acre	$565.16	14.1%	$79.68
2840-030-019	69164-2	4	3.02			Apartments	Undeveloped	$141,291.19 / Acre	$426,699.39	14.1%	$60,159.96
2840-030-041	69164-2	17	0.427			Association	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-030-043	69164-2	19	0.399			Association	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-001	61694	1	0.928			Mixed Use	Undeveloped	$141,291.19 / Acre	$131,118.22	14.1%	$18,486.24
2840-031-002	61694	2	0.512			Street/Plaza	Non-Taxable	$0.00 / Acre	$0.00	14.1%	$0.00
2840-031-003	61694	3	0.606			Retail	Undeveloped	$141,291.19 / Acre	$85,622.46	14.1%	$12,071.83
2840-031-004	61694	4	1.35			Parking	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-005	61694	6	0.771			Apartments	Undeveloped	$141,291.19 / Acre	$108,935.50	14.1%	$15,358.72
2840-031-006	61694	7	0.523			Mixed Use	Undeveloped	$141,291.19 / Acre	$73,895.29	14.1%	$10,418.43
2840-031-007	61694	8	0.38			Pvt. Driveway	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-008	61694	9	0.387			Open Space	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-009	61694	10	0.157			Pvt. Driveway	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-010	61694	11	0.146			Pvt. Driveway	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-011	61694	12	0.151			Retail	Undeveloped	$141,291.19 / Acre	$21,334.96	14.1%	$3,008.00
2840-031-012	61694	13	0.537			Parking	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-013	61694	14	0.795			Apartments	Undeveloped	$141,291.19 / Acre	$112,326.49	14.1%	$15,836.81
2840-031-014	61694	15	0.222			Retail	Undeveloped	$141,291.19 / Acre	$31,366.64	14.1%	$4,422.35
2840-031-015	61694	16	0.879			Parking	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-016	61694	17	0.28			Open Space	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-017	61694	18	0.58			Office	Undeveloped	$141,291.19 / Acre	$81,948.89	14.1%	$11,553.90
2840-031-018	61694	19	0.246			Pvt. Driveway	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
2840-031-019	61694	20	1.68			Office	Undeveloped	$141,291.19 / Acre	$237,369.19	14.1%	$33,466.47
2840-031-020	61694	21	0.245			Open Space	Non-Taxable	$0.00 / Parcel	$0.00	14.1%	$0.00
Vista Canyon Phase I Subtotal			**17.39**						**$1,617,077.59**		**$227,990.32**
Zone 2 Subtotal			**17.971**						**$1,699,167.77**		**$239,564.14**
CFD Totals			**39.542**	**480**	**57,000**				**$2,367,920.77**		**$908,317.14**

APPENDIX D

Special Tax Roll for Services

Zone 1			Gross		Building			Maximum	Applied		FY 2026/27
Property Owner / APN	Tract & Lot No.		Acres	Units	Sq Ft	Land Use	Status	Special Tax Rate	Special Tax	Levy	Special Tax Levy
Jefferson Vista Canyon											
2840-029-013	69164-1	3	9.830	352		Apartments	Developed	$169.34 / Unit	$59,607.68	100.0%	$59,607.68
2840-029-014	69164-1	4	2.960	128		Apartments	Developed	$169.34 / Unit	$21,675.52	100.0%	$21,675.52
Jefferson Vista Canyon Subtotal			**12.79**	**480**					**$81,283.20**		**$81,283.20**
VC Lincoln I											
2840-029-020	69164-1	10	0.617		17,000	Retail	Developed	$0.75 / Sq Ft	$12,750.00	100.0%	$12,750.00
					40,000	Office	Developed	$0.30 / Sq FT	$12,000.00	100.0%	$12,000.00
VC Lincoln I Subtotal			**0.617**		**57,000**				**$24,750.00**		**$24,750.00**
CFD Totals			**13.407**	**480**	**57,000**				**$106,033.20**		**$106,033.20**