



## AGENDA – SPECIAL MEETING

Board of Library Trustees Capital Projects Discussion | Altadena Library District  
Virtual – Zoom – December 8, 2021 – 3:00 p.m.

### IMPORTANT NOTICE REGARDING DECEMBER 8, 2021 CAPITAL PROJECTS DISCUSSION

This meeting will be conducted utilizing teleconference and electronic means consistent with the **State of California Executive Order N-29-20** dated March 17, 2020, regarding the COVID-19 pandemic and Altadena Library District Board of Trustees' Resolution 2021-05. The live stream of the meeting may be viewed by visiting the Altadena Library District's YouTube channel at the following URL <https://www.youtube.com/c/AltadenaLibrary>

**SUBMISSION OF PUBLIC COMMENT:** For those wishing to make Public Comments at the December 8, 2021 Special Meeting, please submit your comments by email to be read aloud at the meeting. If multiple comments are submitted, only the first comment will be read aloud during the meeting. Email and Electronic Comments submitted online will be accepted up to two (2) hours prior to the start of the meeting. Email comments can be submitted to [hello@altadenalibrary.org](mailto:hello@altadenalibrary.org) with the subject line: "Public Comment". Electronic Comments may also be submitted online at [www.altadenalibrary.org/publiccomment](http://www.altadenalibrary.org/publiccomment). If you wish to make your public comment during the live meeting, please state so in your email or select "Yes – I want to provide this comment in real-time and need the Zoom link" in the online form.

Email and Electronic Comments will be submitted to the legislative body and shall become part of the record of the meeting.

If you are unable to submit via email or the online, you can call in to (626) 798-0833 ext. 118, during the corresponding item of the agenda. For public comment on any non-agenda item, please plan to call at 3:00 pm.

**PUBLIC REQUESTS FOR DOCUMENTS:** The District provides a public inspection copy of all materials included in the agenda packet distributed to the Board members. Members of the public who wish to obtain a copy of any document may do so by completing a Request for Public Document form and submitting it to Administration who will arrange for the documents to be copied at a charge of 15¢ per page. Request forms are available at the District Administration offices.

In compliance with the Americans with Disability Act, if you need special assistance to participate in the meeting, please contact Library Administration at (626) 798-0833 x118 at least 48 hours prior to the meeting so the Altadena Library District may make reasonable arrangements to ensure accessibility to the meeting.

- I. **Call to order**
  
- II. **Open Session**
  - a. Roll Call
  - b. Approval/Reordering of Agenda Items
  - c. Adoption of Agenda
  - d. Public Comment on Non-Agenda Items
  
- III. **Unfinished Business**

**IV. New Business**

- a. Presentation and Review of ALD's Capital Projects Budget **(Informational)**  
[Pages 3-4](#)
- b. Review and Discussion of Community Facilities District Bond Issuance Options **(Informational)** [Pages 5-23](#)
- c. Review, Discussion, and Recommendation to the Board of Trustees to Review and Approve ALD's Bond Issuance Documents **(Action)** [Pages 24-25](#)
  - i. Resolution of Issuance [Pages 26-32](#)
  - ii. Fiscal Agent Agreement [Pages 33-86](#)
  - iii. Preliminary Official Statement with Continuing Disclosure Agreement [Pages 87-167](#)
  - iv. Bonds Purchase Agreement [Pages 168-186](#)

**V. Announcements & Planning**

- a. Correspondence
- b. Propose Future Agenda Items

**VI. Adjournment**

- a. Adjourn Meeting



**BOARD OF LIBRARY TRUSTEES – SPECIAL MEETING  
AGENDA ITEM IV.A. REPORT FOR DECEMBER 2021**

**REPORT:** Agenda Item IV.a.

**MEETING DATE:** December 8, 2021

**PREPARED BY:** Nikki Winslow

**LOCATION:** Virtual Meeting

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**TITLE:** Presentation of the Capital Projects Budget

**BACKGROUND**

The Ad-hoc Facilities Committee, composed of Trustees Capell and Clark, Director Winslow, Facilities Manager Jonathan Arevalo and our members of our Capital Project Manager firm Rachlin Partners, has been meeting weekly on Mondays since May 3<sup>rd</sup>. Through these weekly discussions, Rachlin Partners created a draft budget that includes the costs and contingencies we anticipate spending on both library building renovations. Construction costs were informed by prior estimates developed during the master plan process, validated and updated for the current anticipated scope of work. Soft costs for permits, consultant fees, various tests and surveys, and other vendor services are included in the program budget, as are contingencies for unforeseen conditions and cost escalation. The budget sheet follows this staff report.

Jennifer Pearson from Rachlin Partners will be in attendance at this special meeting and will be able to answer any questions related to the budget figures being presented.

**FISCAL IMPACT**

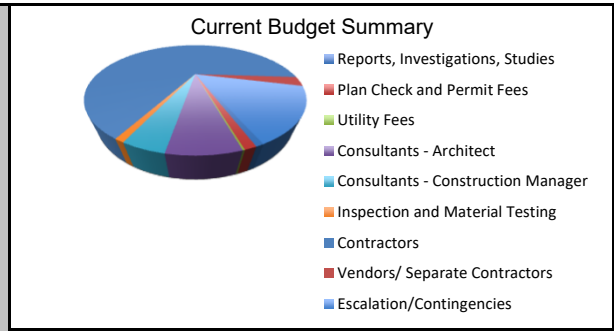
None.

**RECOMMENDATION**

Staff recommends review and discussion of the proposed Capital Projects Budget as presented.

## 1. - Budget Summary Report Measure Z

FUNDING				
Code	Source	Original Amount	Modifications	Current Amount
0.000	Bond Funds	22,000,000	500,000	22,500,000
<b>Totals</b>		<b>\$ 22,000,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 22,500,000.00</b>



BUDGETS thru 11/30/21				
Code	Description	BUDGET		
		Preliminary Budget	Budget Modifications	Current Budget
1.000	Accounting and Legal Fees			
	Division Subtotal:	0	0	0
2.000	Reports, Investigations, Studies			
	Division Subtotal:	175,000	0	175,000
3.000	Plan Check and Permit Fees			
	Division Subtotal:	257,742	6,113	263,855
4.000	Utility Fees			
	Division Subtotal:	45,000	0	45,000
5.000	Consultants - Architect			
	Division Subtotal:	1,498,500	35,538	1,550,167
6.000	Consultants - Capital Projects Manager			
	Division Subtotal:	950,072	0	950,072
7.000	Inspection and Material Testing			
	Division Subtotal:	214,850	3,554	218,404
8.000	Contractors			
	Division Subtotal:	14,985,000	355,384	15,340,384
9.000	Vendors/ Separate Contractors			
	Division Subtotal:	638,425	8,885	647,310
10.000	Escalation and Contingencies			
	Division Subtotal:	3,233,021	70,140	3,303,161
<b>TOTAL ESTIMATED PROJECT COST:</b>		<b>\$ 21,997,609.64</b>	<b>\$ 479,613.68</b>	<b>\$ 22,493,352.32</b>

EXPENDITURES thru 11/30/21		
EXPOSURE	EXPENDITURE	REMAINING
Committed Contract(s)	Paid To Date	Budget Balance
	0.00	0
62,346	47,394.00	112,654
0	0.00	263,855
0	0.00	45,000
0	0.00	1,550,167
123,213	70,047.50	826,859
0	0.00	218,404
0	0.00	15,340,384
0	0.00	647,310
0	0.00	3,303,161
<b>\$ 185,559.00</b>	<b>\$ 117,441.50</b>	<b>\$ 22,307,793</b>



**BOARD OF LIBRARY TRUSTEES – SPECIAL MEETING  
AGENDA ITEM IV.B. REPORT FOR DECEMBER 2021**

**REPORT:** Agenda Item IV.b.

**MEETING DATE:** December 8, 2021

**PREPARED BY:** Nikki Winslow

**LOCATION:** Virtual Meeting

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**TITLE:** Review and Discussion Community Facilities District Bond Issuance Options

**BACKGROUND**

During a few of our Ad-hoc Facilities Committee meetings, the question was raised of doing one or two bond issuances. There were inquiries about how much would actually be needed to complete the work and when the actual proceeds would be needed to pay for and complete the work.

I reached out to our Municipal Advisor Doug Anderson and had him meet with the Facilities Committee to field these types of questions. He suggested that we have our Bond Underwriters with Hilltop Securities run a few bond issuance options that would include the full \$24 million, or what it would look like to issue \$21 million first, and then the additional \$3 million dollars later, etc.. Once these numbers were run and presented to the Facilities Committee, we set up a meeting with the Bond Issuance team to get more details about the results. We were informed that both our Municipal Advisor and Bond Underwriter agreed that we will receive a very high credit rating and anticipate being able to sell Premium Bonds, which ends up giving us more in proceeds than the amount we bond out. For example, with the numbers presented to us, if we had bonded out the full \$24 million, they estimated that we would have received just over \$27 million. We asked the Bond Underwriter to run the numbers instead so we could see how much we would need to bond out to get \$22.5 million and \$24 million in proceeds. Those numbers follow this report and are what we are asking the members of the CFD and Facilities Committees to review and discuss.

The first page of each of the estimated bond debt service numbers shows the “Sources and Uses” of funds. Sources include the par amount of the bonds to be issued, as well as the premium paid by bond buyers based on the interest rate structure. Uses of funds includes the costs of issuance and underwriter’s discount, and the capitalized interest amount. The Capitalized Interest Fund will be used to make the first debt service payment on the 2022 Bonds, which is scheduled for 9/1/2022. Because the property owners cannot be billed for special taxes until there are bonds actually outstanding, the CFD will have no special tax revenue to cover that first payment in Sept. 2022, so a portion of the bond proceeds must be set aside to make that payment. Once the bonds are issued (say March of 2022), then NBS can file the special tax request with the County for the 2022-23 tax year. The first tax installment due from property owners will be due with their regular semi-annual tax bill in December of 2022, which can then be used to make the second bond debt service payment, which will be due on

March 1, 2023. The resulting net proceeds will be deposited into the Project Fund for use on the Library improvement project (the small amount of “additional proceeds” shown is a rounding amount, and will eventually be used as a credit towards debt service payments). Annual estimated bond debt service payment amounts are shown on the fifth page of the number runs for each of the two financing options.

In addition to that, we also had our CFD Administration firm NBS create a chart that would show how much taxpayers would be paying each year based on the different bond issuance amounts, which also follows this report. The estimated annual special tax rates shown in the chart for each of the two financing options (\$22.5 million and \$24 million project fund amounts) are for a single family residence, and are expressed in terms of a “per square foot” cost based on the size of the home.

We hope that through discussion at this meeting that a bond issuance amount be agreed upon and recommended so that number can be integrated into the Preliminary Documents that will go to the full Board for approval at their next meeting.

### **FISCAL IMPACT**

None.

### **RECOMMENDATION**

Staff recommends review and discussion of the proposed Bond Issuance Options, and that a bond issuance amount be recommended to the full Board at their next meeting.

SOURCES AND USES OF FUNDS

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$22.5M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Dated Date            03/01/2022  
Delivery Date        03/01/2022

Sources:

Bond Proceeds:	
Par Amount	19,810,000.00
Premium	3,320,538.55
	23,130,538.55

Uses:

Project Fund Deposits:	
Project Fund	22,500,000.00
Other Fund Deposits:	
Capitalized Interest Fund (Through 9.1.22)	396,200.00
Delivery Date Expenses:	
Cost of Issuance	152,000.00
Underwriter's Discount	80,824.80
	232,824.80
Other Uses of Funds:	
Additional Proceeds	1,513.75
	23,130,538.55

BOND PRICING

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$22.5M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:									
	09/01/2023	355,000	4.000%	0.320%	105.502				19,532.10
	09/01/2024	365,000	4.000%	0.430%	108.867				32,364.55
	09/01/2025	380,000	4.000%	0.570%	111.869				45,102.20
	09/01/2026	395,000	4.000%	0.730%	114.450				57,077.50
	09/01/2027	415,000	4.000%	0.900%	116.598				68,881.70
	09/01/2028	430,000	4.000%	1.070%	118.350				78,905.00
	09/01/2029	445,000	4.000%	1.180%	120.184				89,818.80
	09/01/2030	465,000	4.000%	1.260%	122.020				102,393.00
	09/01/2031	485,000	4.000%	1.330%	121.714 C	1.535%	09/01/2029	103.000	105,312.90
	09/01/2032	505,000	4.000%	1.410%	121.071 C	1.790%	09/01/2029	103.000	106,408.55
	09/01/2033	525,000	4.000%	1.470%	120.592 C	1.988%	09/01/2029	103.000	108,108.00
	09/01/2034	545,000	4.000%	1.550%	119.956 C	2.169%	09/01/2029	103.000	108,760.20
	09/01/2035	565,000	4.000%	1.620%	119.402 C	2.318%	09/01/2029	103.000	109,621.30
	09/01/2036	590,000	4.000%	1.640%	119.245 C	2.419%	09/01/2029	103.000	113,545.50
	09/01/2037	610,000	4.000%	1.670%	119.009 C	2.512%	09/01/2029	103.000	115,954.90
	09/01/2038	635,000	4.000%	1.720%	118.617 C	2.605%	09/01/2029	103.000	118,217.95
	09/01/2039	660,000	4.000%	1.760%	118.304 C	2.683%	09/01/2029	103.000	120,806.40
	09/01/2040	690,000	4.000%	1.810%	117.915 C	2.757%	09/01/2029	103.000	123,613.50
	09/01/2041	715,000	4.000%	1.840%	117.682 C	2.815%	09/01/2029	103.000	126,426.30
		<u>9,775,000</u>							<u>1,750,850.35</u>
Term Bond 2046:									
	09/01/2042	745,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	120,265.35
	09/01/2043	775,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	125,108.25
	09/01/2044	805,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	129,951.15
	09/01/2045	835,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	134,794.05
	09/01/2046	870,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	140,444.10
		<u>4,030,000</u>							<u>650,562.90</u>
Term Bond 2052:									
	09/01/2047	905,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	138,519.30
	09/01/2048	940,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	143,876.40



BOND PRICING

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$22.5M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Term Bond 2052:									
	09/01/2049	980,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	149,998.80
	09/01/2050	1,020,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	156,121.20
	09/01/2051	1,060,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	162,243.60
	09/01/2052	1,100,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	168,366.00
		<u>6,005,000</u>							<u>919,125.30</u>
		19,810,000							3,320,538.55

Dated Date	03/01/2022	
Delivery Date	03/01/2022	
First Coupon	09/01/2022	
Par Amount	19,810,000.00	
Premium	3,320,538.55	
Production	23,130,538.55	116.761931%
Underwriter's Discount	<u>-80,824.80</u>	<u>-0.408000%</u>
Purchase Price	23,049,713.75	116.353931%
Accrued Interest		
Net Proceeds	<u>23,049,713.75</u>	

BOND SUMMARY STATISTICS

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$22.5M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Dated Date	03/01/2022
Delivery Date	03/01/2022
Last Maturity	09/01/2052
Arbitrage Yield	1.806763%
True Interest Cost (TIC)	2.827609%
Net Interest Cost (NIC)	3.133454%
All-In TIC	2.877140%
Average Coupon	4.000000%
Average Life (years)	18.873
Duration of Issue (years)	13.566
Par Amount	19,810,000.00
Bond Proceeds	23,130,538.55
Total Interest	14,954,600.00
Net Interest	11,714,886.25
Total Debt Service	34,764,600.00
Maximum Annual Debt Service	1,148,000.00
Average Annual Debt Service	1,139,822.95
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.080000
Total Underwriter's Discount	4.080000
Bid Price	116.353931

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	9,775,000.00	117.912	4.000%	11.668
Term Bond 2046	4,030,000.00	116.143	4.000%	22.577
Term Bond 2052	6,005,000.00	115.306	4.000%	28.114
	19,810,000.00			18.873

	TIC	All-In TIC	Arbitrage Yield
Par Value	19,810,000.00	19,810,000.00	19,810,000.00
+ Accrued Interest			
+ Premium (Discount)	3,320,538.55	3,320,538.55	3,320,538.55
- Underwriter's Discount	-80,824.80	-80,824.80	
- Cost of Issuance Expense		-152,000.00	
- Other Amounts			
Target Value	23,049,713.75	22,897,713.75	23,130,538.55
Target Date	03/01/2022	03/01/2022	03/01/2022
Yield	2.827609%	2.877140%	1.806763%

BOND DEBT SERVICE

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$22.5M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2022			396,200	396,200
09/01/2023	355,000	4.000%	792,400	1,147,400
09/01/2024	365,000	4.000%	778,200	1,143,200
09/01/2025	380,000	4.000%	763,600	1,143,600
09/01/2026	395,000	4.000%	748,400	1,143,400
09/01/2027	415,000	4.000%	732,600	1,147,600
09/01/2028	430,000	4.000%	716,000	1,146,000
09/01/2029	445,000	4.000%	698,800	1,143,800
09/01/2030	465,000	4.000%	681,000	1,146,000
09/01/2031	485,000	4.000%	662,400	1,147,400
09/01/2032	505,000	4.000%	643,000	1,148,000
09/01/2033	525,000	4.000%	622,800	1,147,800
09/01/2034	545,000	4.000%	601,800	1,146,800
09/01/2035	565,000	4.000%	580,000	1,145,000
09/01/2036	590,000	4.000%	557,400	1,147,400
09/01/2037	610,000	4.000%	533,800	1,143,800
09/01/2038	635,000	4.000%	509,400	1,144,400
09/01/2039	660,000	4.000%	484,000	1,144,000
09/01/2040	690,000	4.000%	457,600	1,147,600
09/01/2041	715,000	4.000%	430,000	1,145,000
09/01/2042	745,000	4.000%	401,400	1,146,400
09/01/2043	775,000	4.000%	371,600	1,146,600
09/01/2044	805,000	4.000%	340,600	1,145,600
09/01/2045	835,000	4.000%	308,400	1,143,400
09/01/2046	870,000	4.000%	275,000	1,145,000
09/01/2047	905,000	4.000%	240,200	1,145,200
09/01/2048	940,000	4.000%	204,000	1,144,000
09/01/2049	980,000	4.000%	166,400	1,146,400
09/01/2050	1,020,000	4.000%	127,200	1,147,200
09/01/2051	1,060,000	4.000%	86,400	1,146,400
09/01/2052	1,100,000	4.000%	44,000	1,144,000
	19,810,000		14,954,600	34,764,600

BOND DEBT SERVICE

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$22.5M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2022			396,200	396,200	396,200
03/01/2023			396,200	396,200	
09/01/2023	355,000	4.000%	396,200	751,200	1,147,400
03/01/2024			389,100	389,100	
09/01/2024	365,000	4.000%	389,100	754,100	1,143,200
03/01/2025			381,800	381,800	
09/01/2025	380,000	4.000%	381,800	761,800	1,143,600
03/01/2026			374,200	374,200	
09/01/2026	395,000	4.000%	374,200	769,200	1,143,400
03/01/2027			366,300	366,300	
09/01/2027	415,000	4.000%	366,300	781,300	1,147,600
03/01/2028			358,000	358,000	
09/01/2028	430,000	4.000%	358,000	788,000	1,146,000
03/01/2029			349,400	349,400	
09/01/2029	445,000	4.000%	349,400	794,400	1,143,800
03/01/2030			340,500	340,500	
09/01/2030	465,000	4.000%	340,500	805,500	1,146,000
03/01/2031			331,200	331,200	
09/01/2031	485,000	4.000%	331,200	816,200	1,147,400
03/01/2032			321,500	321,500	
09/01/2032	505,000	4.000%	321,500	826,500	1,148,000
03/01/2033			311,400	311,400	
09/01/2033	525,000	4.000%	311,400	836,400	1,147,800
03/01/2034			300,900	300,900	
09/01/2034	545,000	4.000%	300,900	845,900	1,146,800
03/01/2035			290,000	290,000	
09/01/2035	565,000	4.000%	290,000	855,000	1,145,000
03/01/2036			278,700	278,700	
09/01/2036	590,000	4.000%	278,700	868,700	1,147,400
03/01/2037			266,900	266,900	
09/01/2037	610,000	4.000%	266,900	876,900	1,143,800
03/01/2038			254,700	254,700	
09/01/2038	635,000	4.000%	254,700	889,700	1,144,400
03/01/2039			242,000	242,000	
09/01/2039	660,000	4.000%	242,000	902,000	1,144,000
03/01/2040			228,800	228,800	
09/01/2040	690,000	4.000%	228,800	918,800	1,147,600
03/01/2041			215,000	215,000	
09/01/2041	715,000	4.000%	215,000	930,000	1,145,000
03/01/2042			200,700	200,700	
09/01/2042	745,000	4.000%	200,700	945,700	1,146,400
03/01/2043			185,800	185,800	
09/01/2043	775,000	4.000%	185,800	960,800	1,146,600
03/01/2044			170,300	170,300	
09/01/2044	805,000	4.000%	170,300	975,300	1,145,600
03/01/2045			154,200	154,200	
09/01/2045	835,000	4.000%	154,200	989,200	1,143,400
03/01/2046			137,500	137,500	
09/01/2046	870,000	4.000%	137,500	1,007,500	1,145,000
03/01/2047			120,100	120,100	
09/01/2047	905,000	4.000%	120,100	1,025,100	1,145,200
03/01/2048			102,000	102,000	
09/01/2048	940,000	4.000%	102,000	1,042,000	1,144,000
03/01/2049			83,200	83,200	
09/01/2049	980,000	4.000%	83,200	1,063,200	1,146,400
03/01/2050			63,600	63,600	
09/01/2050	1,020,000	4.000%	63,600	1,083,600	1,147,200

BOND DEBT SERVICE

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$22.5M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2051			43,200	43,200	
09/01/2051	1,060,000	4.000%	43,200	1,103,200	1,146,400
03/01/2052			22,000	22,000	
09/01/2052	1,100,000	4.000%	22,000	1,122,000	1,144,000
	19,810,000		14,954,600	34,764,600	34,764,600

CALL PROVISIONS

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$22.5M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Call Table: CALL

Call Date	Call Price
09/01/2029	103.00
09/01/2030	102.00
09/01/2031	101.00
09/01/2032	100.00

Call Provisions Setup

Bond Component	Call Table	Callable Dates
Bond Component	CALL	Any Date
Term Bond 2046	CALL	Any Date
Term Bond 2052	CALL	Any Date

SOURCES AND USES OF FUNDS

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$24M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Dated Date            03/01/2022  
Delivery Date        03/01/2022

Sources:

Bond Proceeds:	
Par Amount	21,125,000.00
Premium	3,540,705.95
	24,665,705.95
	24,665,705.95

Uses:

Project Fund Deposits:	
Project Fund	24,000,000.00
Other Fund Deposits:	
Capitalized Interest Fund (Through 9.1.22)	422,500.00
Delivery Date Expenses:	
Cost of Issuance	152,000.00
Underwriter's Discount	86,190.00
	238,190.00
Other Uses of Funds:	
Additional Proceeds	5,015.95
	24,665,705.95
	24,665,705.95

BOND PRICING

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$24M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:									
	09/01/2023	375,000	4.000%	0.320%	105.502				20,632.50
	09/01/2024	390,000	4.000%	0.430%	108.867				34,581.30
	09/01/2025	405,000	4.000%	0.570%	111.869				48,069.45
	09/01/2026	425,000	4.000%	0.730%	114.450				61,412.50
	09/01/2027	440,000	4.000%	0.900%	116.598				73,031.20
	09/01/2028	460,000	4.000%	1.070%	118.350				84,410.00
	09/01/2029	475,000	4.000%	1.180%	120.184				95,874.00
	09/01/2030	495,000	4.000%	1.260%	122.020				108,999.00
	09/01/2031	515,000	4.000%	1.330%	121.714 C	1.535%	09/01/2029	103.000	111,827.10
	09/01/2032	535,000	4.000%	1.410%	121.071 C	1.790%	09/01/2029	103.000	112,729.85
	09/01/2033	555,000	4.000%	1.470%	120.592 C	1.988%	09/01/2029	103.000	114,285.60
	09/01/2034	580,000	4.000%	1.550%	119.956 C	2.169%	09/01/2029	103.000	115,744.80
	09/01/2035	605,000	4.000%	1.620%	119.402 C	2.318%	09/01/2029	103.000	117,382.10
	09/01/2036	625,000	4.000%	1.640%	119.245 C	2.419%	09/01/2029	103.000	120,281.25
	09/01/2037	650,000	4.000%	1.670%	119.009 C	2.512%	09/01/2029	103.000	123,558.50
	09/01/2038	680,000	4.000%	1.720%	118.617 C	2.605%	09/01/2029	103.000	126,595.60
	09/01/2039	705,000	4.000%	1.760%	118.304 C	2.683%	09/01/2029	103.000	129,043.20
	09/01/2040	735,000	4.000%	1.810%	117.915 C	2.757%	09/01/2029	103.000	131,675.25
	09/01/2041	765,000	4.000%	1.840%	117.682 C	2.815%	09/01/2029	103.000	135,267.30
		<u>10,415,000</u>							<u>1,865,400.50</u>
Term Bond 2046:									
	09/01/2042	795,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	128,336.85
	09/01/2043	825,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	133,179.75
	09/01/2044	860,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	138,829.80
	09/01/2045	895,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	144,479.85
	09/01/2046	930,000	4.000%	2.040%	116.143 C	3.059%	09/01/2029	103.000	150,129.90
		<u>4,305,000</u>							<u>694,956.15</u>
Term Bond 2052:									
	09/01/2047	965,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	147,702.90
	09/01/2048	1,005,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	153,825.30



BOND PRICING

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$24M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Term Bond 2052:									
	09/01/2049	1,045,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	159,947.70
	09/01/2050	1,085,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	166,070.10
	09/01/2051	1,130,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	172,957.80
	09/01/2052	1,175,000	4.000%	2.150%	115.306 C	3.209%	09/01/2029	103.000	179,845.50
		<u>6,405,000</u>							<u>980,349.30</u>
		21,125,000							3,540,705.95

Dated Date	03/01/2022	
Delivery Date	03/01/2022	
First Coupon	09/01/2022	
Par Amount	21,125,000.00	
Premium	3,540,705.95	
Production	24,665,705.95	116.760738%
Underwriter's Discount	<u>-86,190.00</u>	<u>-0.408000%</u>
Purchase Price	24,579,515.95	116.352738%
Accrued Interest		
Net Proceeds	<u>24,579,515.95</u>	

BOND SUMMARY STATISTICS

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$24M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Dated Date	03/01/2022
Delivery Date	03/01/2022
Last Maturity	09/01/2052
Arbitrage Yield	1.807069%
True Interest Cost (TIC)	2.828049%
Net Interest Cost (NIC)	3.133865%
All-In TIC	2.874470%
Average Coupon	4.000000%
Average Life (years)	18.880
Duration of Issue (years)	13.570
Par Amount	21,125,000.00
Bond Proceeds	24,665,705.95
Total Interest	15,953,700.00
Net Interest	12,499,184.05
Total Debt Service	37,078,700.00
Maximum Annual Debt Service	1,224,200.00
Average Annual Debt Service	1,215,695.08
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.080000
Total Underwriter's Discount	4.080000
Bid Price	116.352738

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	10,415,000.00	117.911	4.000%	11.672
Term Bond 2046	4,305,000.00	116.143	4.000%	22.579
Term Bond 2052	6,405,000.00	115.306	4.000%	28.114
	21,125,000.00			18.880

	TIC	All-In TIC	Arbitrage Yield
Par Value	21,125,000.00	21,125,000.00	21,125,000.00
+ Accrued Interest			
+ Premium (Discount)	3,540,705.95	3,540,705.95	3,540,705.95
- Underwriter's Discount	-86,190.00	-86,190.00	
- Cost of Issuance Expense		-152,000.00	
- Other Amounts			
Target Value	24,579,515.95	24,427,515.95	24,665,705.95
Target Date	03/01/2022	03/01/2022	03/01/2022
Yield	2.828049%	2.874470%	1.807069%

BOND DEBT SERVICE

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$24M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2022			422,500	422,500
09/01/2023	375,000	4.000%	845,000	1,220,000
09/01/2024	390,000	4.000%	830,000	1,220,000
09/01/2025	405,000	4.000%	814,400	1,219,400
09/01/2026	425,000	4.000%	798,200	1,223,200
09/01/2027	440,000	4.000%	781,200	1,221,200
09/01/2028	460,000	4.000%	763,600	1,223,600
09/01/2029	475,000	4.000%	745,200	1,220,200
09/01/2030	495,000	4.000%	726,200	1,221,200
09/01/2031	515,000	4.000%	706,400	1,221,400
09/01/2032	535,000	4.000%	685,800	1,220,800
09/01/2033	555,000	4.000%	664,400	1,219,400
09/01/2034	580,000	4.000%	642,200	1,222,200
09/01/2035	605,000	4.000%	619,000	1,224,000
09/01/2036	625,000	4.000%	594,800	1,219,800
09/01/2037	650,000	4.000%	569,800	1,219,800
09/01/2038	680,000	4.000%	543,800	1,223,800
09/01/2039	705,000	4.000%	516,600	1,221,600
09/01/2040	735,000	4.000%	488,400	1,223,400
09/01/2041	765,000	4.000%	459,000	1,224,000
09/01/2042	795,000	4.000%	428,400	1,223,400
09/01/2043	825,000	4.000%	396,600	1,221,600
09/01/2044	860,000	4.000%	363,600	1,223,600
09/01/2045	895,000	4.000%	329,200	1,224,200
09/01/2046	930,000	4.000%	293,400	1,223,400
09/01/2047	965,000	4.000%	256,200	1,221,200
09/01/2048	1,005,000	4.000%	217,600	1,222,600
09/01/2049	1,045,000	4.000%	177,400	1,222,400
09/01/2050	1,085,000	4.000%	135,600	1,220,600
09/01/2051	1,130,000	4.000%	92,200	1,222,200
09/01/2052	1,175,000	4.000%	47,000	1,222,000
	21,125,000		15,953,700	37,078,700

BOND DEBT SERVICE

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$24M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2022			422,500	422,500	422,500
03/01/2023			422,500	422,500	
09/01/2023	375,000	4.000%	422,500	797,500	1,220,000
03/01/2024			415,000	415,000	
09/01/2024	390,000	4.000%	415,000	805,000	1,220,000
03/01/2025			407,200	407,200	
09/01/2025	405,000	4.000%	407,200	812,200	1,219,400
03/01/2026			399,100	399,100	
09/01/2026	425,000	4.000%	399,100	824,100	1,223,200
03/01/2027			390,600	390,600	
09/01/2027	440,000	4.000%	390,600	830,600	1,221,200
03/01/2028			381,800	381,800	
09/01/2028	460,000	4.000%	381,800	841,800	1,223,600
03/01/2029			372,600	372,600	
09/01/2029	475,000	4.000%	372,600	847,600	1,220,200
03/01/2030			363,100	363,100	
09/01/2030	495,000	4.000%	363,100	858,100	1,221,200
03/01/2031			353,200	353,200	
09/01/2031	515,000	4.000%	353,200	868,200	1,221,400
03/01/2032			342,900	342,900	
09/01/2032	535,000	4.000%	342,900	877,900	1,220,800
03/01/2033			332,200	332,200	
09/01/2033	555,000	4.000%	332,200	887,200	1,219,400
03/01/2034			321,100	321,100	
09/01/2034	580,000	4.000%	321,100	901,100	1,222,200
03/01/2035			309,500	309,500	
09/01/2035	605,000	4.000%	309,500	914,500	1,224,000
03/01/2036			297,400	297,400	
09/01/2036	625,000	4.000%	297,400	922,400	1,219,800
03/01/2037			284,900	284,900	
09/01/2037	650,000	4.000%	284,900	934,900	1,219,800
03/01/2038			271,900	271,900	
09/01/2038	680,000	4.000%	271,900	951,900	1,223,800
03/01/2039			258,300	258,300	
09/01/2039	705,000	4.000%	258,300	963,300	1,221,600
03/01/2040			244,200	244,200	
09/01/2040	735,000	4.000%	244,200	979,200	1,223,400
03/01/2041			229,500	229,500	
09/01/2041	765,000	4.000%	229,500	994,500	1,224,000
03/01/2042			214,200	214,200	
09/01/2042	795,000	4.000%	214,200	1,009,200	1,223,400
03/01/2043			198,300	198,300	
09/01/2043	825,000	4.000%	198,300	1,023,300	1,221,600
03/01/2044			181,800	181,800	
09/01/2044	860,000	4.000%	181,800	1,041,800	1,223,600
03/01/2045			164,600	164,600	
09/01/2045	895,000	4.000%	164,600	1,059,600	1,224,200
03/01/2046			146,700	146,700	
09/01/2046	930,000	4.000%	146,700	1,076,700	1,223,400
03/01/2047			128,100	128,100	
09/01/2047	965,000	4.000%	128,100	1,093,100	1,221,200
03/01/2048			108,800	108,800	
09/01/2048	1,005,000	4.000%	108,800	1,113,800	1,222,600
03/01/2049			88,700	88,700	
09/01/2049	1,045,000	4.000%	88,700	1,133,700	1,222,400
03/01/2050			67,800	67,800	
09/01/2050	1,085,000	4.000%	67,800	1,152,800	1,220,600

BOND DEBT SERVICE

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$24M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2051			46,100	46,100	
09/01/2051	1,130,000	4.000%	46,100	1,176,100	1,222,200
03/01/2052			23,500	23,500	
09/01/2052	1,175,000	4.000%	23,500	1,198,500	1,222,000
	21,125,000		15,953,700	37,078,700	37,078,700

CALL PROVISIONS

Altadena Library District  
Community Facilities District No. 2020-1  
2022 Special Tax Bonds  
\$24M Project Fund Deposit  
Preliminary Numbers  
As of 12.3.21

Call Table: CALL

Call Date	Call Price
09/01/2029	103.00
09/01/2030	102.00
09/01/2031	101.00
09/01/2032	100.00

Call Provisions Setup

Bond Component	Call Table	Callable Dates
Bond Component	CALL	Any Date
Term Bond 2046	CALL	Any Date
Term Bond 2052	CALL	Any Date

**Altadena Library District**  
**CFD No. 2020-1**  
**Estimated SFR Special Tax Rates**

	<b>\$24MM 2022</b>					
	<i>Debt Service</i>	<i>Services <sup>1</sup></i>	<i>Admin <sup>2</sup></i>	<i>Total Special Tax</i>	<i>Estimated SFR Tax Rate</i>	<i>% of Max</i>
<b>FY 2022/23</b>	\$ 1,220,000	\$ -	\$ 25,500	\$ 1,245,500	\$ 0.0524	51.36%
<b>FY 2023/24</b>	1,220,000	-	26,010	1,246,010	0.0524	50.38%
<b>FY 2024/25</b>	1,219,400	-	26,530	1,245,930	0.0524	49.39%
<b>FY 2025/26</b>	1,223,200	1,228,561	27,061	2,478,821	0.1043	96.33%
<b>FY 2026/27</b>	1,221,200	1,253,132	27,602	2,501,934	0.1052	95.32%
<b>FY 2027/28</b>	1,223,600	1,278,194	28,154	2,529,948	0.1064	94.50%
<b>FY 2028/29</b>	1,220,200	1,303,758	28,717	2,552,675	0.1074	93.48%
<b>FY 2029/30</b>	1,221,200	1,329,833	29,291	2,580,325	0.1085	92.64%
<b>FY 2030/31</b>	1,221,400	1,356,430	29,877	2,607,707	0.1097	91.79%
<b>FY 2031/32</b>	1,220,800	1,383,559	30,475	2,634,834	0.1108	90.92%
<b>FY 2032/33</b>	1,219,400	1,411,230	31,084	2,661,714	0.1120	90.05%
<b>FY 2033/34</b>	1,222,200	1,439,454	31,706	2,693,360	0.1133	89.33%
<b>FY 2034/35</b>	1,224,000	1,468,244	32,340	2,724,584	0.1146	88.60%
<b>FY 2035/36</b>	1,219,800	1,497,608	32,987	2,750,395	0.1157	87.68%
<b>FY 2036/37</b>	1,219,800	1,527,561	33,647	2,781,007	0.1170	86.92%
<b>FY 2037/38</b>	1,223,800	1,558,112	34,320	2,816,231	0.1185	86.29%
<b>FY 2038/39</b>	1,221,600	1,589,274	35,006	2,845,880	0.1197	85.49%
<b>FY 2039/40</b>	1,223,400	1,621,059	35,706	2,880,166	0.1212	84.83%
<b>FY 2040/41</b>	1,224,000	1,653,481	36,420	2,913,901	0.1226	84.14%
<b>FY 2041/42</b>	1,223,400	1,686,550	37,149	2,947,099	0.1240	83.43%
<b>FY 2042/43</b>	1,221,600	1,720,281	37,892	2,979,773	0.1253	82.70%
<b>FY 2043/44</b>	1,223,600	1,754,687	38,649	3,016,936	0.1269	82.09%
<b>FY 2044/45</b>	1,224,200	1,789,781	39,422	3,053,403	0.1284	81.45%
<b>FY 2045/46</b>	1,223,400	1,825,576	40,211	3,089,187	0.1299	80.79%
<b>FY 2046/47</b>	1,221,200	1,862,088	41,015	3,124,303	0.1314	80.11%
<b>FY 2047/48</b>	1,222,600	1,899,330	41,835	3,163,765	0.1331	79.53%
<b>FY 2048/49</b>	1,222,400	1,937,316	42,672	3,202,388	0.1347	78.92%
<b>FY 2049/50</b>	1,220,600	1,976,062	43,526	3,240,188	0.1363	78.29%
<b>FY 2050/51</b>	1,222,200	2,015,584	44,396	3,282,180	0.1381	77.75%
<b>FY 2051/52</b>	1,222,000	2,055,895	45,284	3,323,179	0.1398	77.17%
<b>FY 2052/53</b>	-	2,097,013	46,190	2,143,203	0.0902	48.79%

**Maximum SFR Special Tax Rate (FY 2051/52)**

**\$ 0.1398**

- 1 - Special Tax levy for Services begins in FY 2025/26, \$1,135,000 per year in FY 2021/22 dollars with 2% annual increases
- 2 - Special Tax levy for Admin begins in FY 2022/23, \$25,000 per year in FY 2021/22 dollars with 2% annual increases

	<b>\$22.5MM 2022</b>					
	<i>Debt Service</i>	<i>Services <sup>1</sup></i>	<i>Admin <sup>2</sup></i>	<i>Total Special Tax</i>	<i>Estimated SFR Tax Rate</i>	<i>% of Max</i>
<b>FY 2022/23</b>	\$ 1,147,400	\$ -	\$ 25,500	\$ 1,172,900	\$ 0.0493	48.37%
<b>FY 2023/24</b>	1,143,200	-	26,010	1,169,210	0.0492	47.27%
<b>FY 2024/25</b>	1,143,600	-	26,530	1,170,130	0.0492	46.38%
<b>FY 2025/26</b>	1,143,400	1,228,561	27,061	2,399,021	0.1009	93.23%
<b>FY 2026/27</b>	1,147,600	1,253,132	27,602	2,428,334	0.1021	92.52%
<b>FY 2027/28</b>	1,146,000	1,278,194	28,154	2,452,348	0.1032	91.60%
<b>FY 2028/29</b>	1,143,800	1,303,758	28,717	2,476,275	0.1042	90.68%
<b>FY 2029/30</b>	1,146,000	1,329,833	29,291	2,505,125	0.1054	89.94%
<b>FY 2030/31</b>	1,147,400	1,356,430	29,877	2,533,707	0.1066	89.18%
<b>FY 2031/32</b>	1,148,000	1,383,559	30,475	2,562,034	0.1078	88.41%
<b>FY 2032/33</b>	1,147,800	1,411,230	31,084	2,590,114	0.1090	87.63%
<b>FY 2033/34</b>	1,146,800	1,439,454	31,706	2,617,960	0.1101	86.83%
<b>FY 2034/35</b>	1,145,000	1,468,244	32,340	2,645,584	0.1113	86.03%
<b>FY 2035/36</b>	1,147,400	1,497,608	32,987	2,677,995	0.1126	85.37%
<b>FY 2036/37</b>	1,143,800	1,527,561	33,647	2,705,007	0.1138	84.54%
<b>FY 2037/38</b>	1,144,400	1,558,112	34,320	2,736,831	0.1151	83.86%
<b>FY 2038/39</b>	1,144,000	1,589,274	35,006	2,768,280	0.1164	83.16%
<b>FY 2039/40</b>	1,147,600	1,621,059	35,706	2,804,366	0.1180	82.59%
<b>FY 2040/41</b>	1,145,000	1,653,481	36,420	2,834,901	0.1192	81.86%
<b>FY 2041/42</b>	1,146,400	1,686,550	37,149	2,870,099	0.1207	81.25%
<b>FY 2042/43</b>	1,146,600	1,720,281	37,892	2,904,773	0.1222	80.62%
<b>FY 2043/44</b>	1,145,600	1,754,687	38,649	2,938,936	0.1236	79.97%
<b>FY 2044/45</b>	1,143,400	1,789,781	39,422	2,972,603	0.1250	79.30%
<b>FY 2045/46</b>	1,145,000	1,825,576	40,211	3,010,787	0.1266	78.74%
<b>FY 2046/47</b>	1,145,200	1,862,088	41,015	3,048,303	0.1282	78.16%
<b>FY 2047/48</b>	1,144,000	1,899,330	41,835	3,085,165	0.1298	77.55%
<b>FY 2048/49</b>	1,146,400	1,937,316	42,672	3,126,388	0.1315	77.05%
<b>FY 2049/50</b>	1,147,200	1,976,062	43,526	3,166,788	0.1332	76.51%
<b>FY 2050/51</b>	1,146,400	2,015,584	44,396	3,206,380	0.1349	75.95%
<b>FY 2051/52</b>	1,144,000	2,055,895	45,284	3,245,179	0.1365	75.36%
<b>FY 2052/53</b>	-	2,097,013	46,190	2,143,203	0.0902	48.79%

**\$ 0.1365**



**BOARD OF LIBRARY TRUSTEES – SPECIAL MEETING  
AGENDA ITEM IV.C. REPORT FOR DECEMBER 2021**

**REPORT:** Agenda Item IV.c.

**MEETING DATE:** December 8, 2021

**PREPARED BY:** Nora O'Brien, BB&K

**LOCATION:** Virtual Meeting

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**TITLE:**

**RESOLUTION OF THE ALTADENA LIBRARY DISTRICT BOARD OF TRUSTEES, ACTING FOR ITSELF AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF ALTADENA LIBRARY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2020-1 (FACILITIES AND SERVICES) AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SPECIAL TAX BONDS OF SUCH COMMUNITY FACILITIES DISTRICT, APPROVING THE FORM OF FISCAL AGENT AGREEMENT, BOND PURCHASE AGREEMENT, PRELIMINARY OFFICIAL STATEMENT, CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATED THERETO AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS**

**BACKGROUND:**

The Altadena Library District (the "Library District") formed Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) ("CFD No. 2020-1") for the purpose of financing certain facilities and services and authorized the issuance of bonds of CFD No. 2020-1 in an amount not to exceed \$24,000,000 (the "CFD No. 2020-1 Bonds"). A portion of the proceeds of the CFD No. 2020-1 Bonds will finance the structural improvements, repairs to building systems, upgrades to meet current building codes, and accessibility for seniors, people with disabilities, and strollers at both the Main Library and the Bob Lucas Memorial Branch (the "Project").

Resolution No. 2021-XX authorized CFD No. 2020-1 to issue the CFD No. 2020-1 Bonds in an aggregate principal amount not to exceed **[\$24,000,000]** to finance the Project. The actual principal amount of the CFD No. 2020-1 Bonds and the final interest rate on the CFD No. 2020-1 Bonds will be determined at the pricing of the CFD No. 2020-1 Bonds based on market conditions at that time.

The various documents being approved by Resolution No. 2021-XX and a brief description of each document is as follows:

A. a Fiscal Agent Agreement by and between CFD No. 2020-1 and U.S. Bank National Association, as fiscal agent, sets forth the terms of the CFD No. 2020-1 Bonds; provides for certain funds and accounts into which proceeds of the CFD No. 2020-1 Bonds will be deposited and invested until spent on the Project; creates other funds and accounts which provide for the payment of principal of and interest on the CFD No. 2020-1 Bonds, including redemption of the CFD No. 2020-1 Bonds; and contains covenants of CFD No. 2020-1 and other provisions relating to the administration of the CFD No. 2020-1 Bonds;



B. a Bond Purchase Agreement by and between CFD No. 2020-1 and Hilltop Securities Inc., as underwriter (the "Underwriter") authorizes the sale of the CFD No. 2020-1 Bonds to the Underwriter and provides the conditions which must be met to successfully delivery the CFD No. 2020-1 Bonds to the Underwriter and the price to be paid for the CFD No. 2020-1 Bonds;

C. the Preliminary Official Statement is the offering document used by the Underwriter to market the CFD No. 2020-1 Bonds to potential investors and describes the terms of the CFD No. 2020-1 Bonds and the security for payment of the CFD No. 2020-1 Bonds; and contains information regarding CFD No. 2020-1 and the Library District; and

D. a Continuing Disclosure Agreement (the form of which is attached to the Preliminary Official Statement as Appendix E) by and between CFD No. 2020-1 and NBS, a dissemination agent pursuant to which CFD No. 2020-1 will be obligated to provide ongoing disclosure relating to CFD No. 2020-1, the CFD No. 2020-1 Bonds and notice of certain listed events pertaining to CFD No. 2020-1 and the CFD No. 2020-1 Bonds.

Exhibit A to Resolution No. 2021-XX sets forth certain good faith estimates with respect to the CFD No. 2020-1 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided by Urban Futures Inc., the municipal advisor in consultation with the Underwriter.

**FISCAL IMPACT:**

Approval of Resolution No. 2021-XX will allow CFD No. 2020-1 to issue the CFD No. 2020-1 Bonds to finance the Project. The CFD No. 2020-1 Bonds will be secured by special taxes levied on taxable property within CFD No. 2020-1. The funds of the Library District will not be impacted by the issuance of the CFD No. 2020-1 Bonds.

**RECOMMENDATION:**

None.

**RESOLUTION NO. 2021-XX**

**A RESOLUTION OF THE ALTADENA LIBRARY DISTRICT BOARD OF TRUSTEES, ACTING FOR ITSELF AND IN ITS CAPACITY AS THE LEGISLATIVE BODY OF ALTADENA LIBRARY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2020-1 (FACILITIES AND SERVICES) AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF SPECIAL TAX BONDS OF SUCH COMMUNITY FACILITIES DISTRICT, APPROVING THE FORM OF FISCAL AGENT AGREEMENT, BOND PURCHASE AGREEMENT, PRELIMINARY OFFICIAL STATEMENT , CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATED THERETO AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS**

**WHEREAS**, the Altadena Library District (the “Library District”) Board of Trustees (the “Board”) did previously conduct proceedings to form and did form Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (“CFD No. 2020-1”) for the purpose of financing certain public facilities (the “Authorized Facilities”) and services pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”); and

**WHEREAS**, the Board has previously determined the necessity for the CFD No. 2020-1 to incur bonded indebtedness in an aggregate principal amount not to exceed \$24,000,000 to finance the Authorized Facilities, such bonds to be issued pursuant to the terms and provisions of the Act, the Altadena Library District Statement of Goals and Policies Regarding the Use of the Mello-Roos Community Facilities Act of 1982 approved by the Board on June 22, 2020 pursuant to Section 53312.7 of the Act (the “Goals and Policies”) and the Altadena Library District Debt Policy approved by the Board on August 23, 2021 (the “Debt Policy”) in furtherance of Section 8855(i) of the Government Code of the State of California; and

**WHEREAS**, at this time the Board desires to set forth the general terms and conditions relating to the authorization, issuance and administration of such bonds of CFD No. 2020-1 to be designated as the “Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) 2022 Special Tax Bonds” (the “Bonds”); and

**WHEREAS**, the forms of the following documents have been presented to and considered for approval by the Board:

A. Fiscal Agent Agreement by and between CFD No. 2020-1 and U.S. Bank, National Association, as fiscal agent (the “Fiscal Agent”) setting forth the terms and conditions relating to the issuance, sale, delivery and administration of the Bonds (the “Fiscal Agent Agreement”);

B. Bond Purchase Agreement by and between CFD No. 2020-1 and Hilltop Securities, Inc., the designated underwriter (the “Underwriter”) authorizing the sale of the Bonds to the Underwriter (the “Bond Purchase Agreement”);

C. Preliminary Official Statement containing information including but not limited to information regarding CFD No. 2020-1 and the Bonds, including the terms and conditions thereof (the “Preliminary Official Statement”);

D. Continuing Disclosure Agreement by and between CFD No. 2020-1 and NBS (the “Dissemination Agent”), pursuant to which CFD No. 2020-1 will be obligated to provide ongoing annual disclosure relating to the Bonds (the “Continuing Disclosure Agreement”); and

**WHEREAS**, the Board, with the aid of Library District staff, has reviewed and considered the Fiscal Agent Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Preliminary Official Statement and finds those documents suitable for approval, subject to the conditions set forth in this Resolution; and

**WHEREAS**, Section 5852.1 of the Government Code of the State of California (“Section 5852.1”) provides that the Board obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the Bonds, good faith estimates of: (a) the true interest cost of the Bonds, (b) the finance charge of the Bonds, meaning the sum of all fees and charges to be paid to third parties, (c) the amount of proceeds of the Bonds to be received by CFD No. 2020-1 less the finance charge described above and any reserves or capitalized interest to be paid or funded with proceeds of the Bonds and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges to be paid to third parties not paid with the proceeds of the Bonds; and

**WHEREAS**, in accordance with Section 5852.1, the Board has obtained such good faith estimates from Urban Futures, Inc., the municipal advisor (the “Municipal Advisor”), and such estimates are disclosed in Exhibit A attached hereto; and

**WHEREAS**, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed or have been ordered to have been performed in due time, form and manner as required by the laws of the State of California, including the Act and the applicable policies and regulations of the Library District.

**NOW, THEREFORE**, the Altadena Library District Board of Trustees, acting for itself and in its capacity as the legislative body of Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) hereby finds, determines, and resolves as follows:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Determinations. The legislative body of CFD No. 2020-1 hereby finds and determines that:

(a) The Goals and Policies and Section 53345.8 generally require that the full cash value of the properties within CFD No. 2020-1 subject to the levy of the special taxes must be at least three (3) times the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within CFD No. 2020-1 or a special assessment levied on property within CFD No. 2020-1 (collectively, “Land Secured Bonded Indebtedness”). The Act authorizes

the Board, acting as the legislative body of CFD No. 2020-1, to sell the Bonds only if the Board has determined prior to the award of the sale of the Bonds that the value of such properties within CFD No. 2020-1 will be at least three (3) times the amount of such Land Secured Bonded Indebtedness.

The full cash value of the property within CFD No. 2020-1 which will be subject to the special tax to pay debt service on the Bonds will be at least three (3) times the amount of the Land Secured Bonded Indebtedness allocable to such properties. The foregoing determinations are based upon the full cash value of such properties as shown on the ad valorem assessment roll.

(b) The terms and conditions of the Bonds as contained in the Fiscal Agent Agreement are consistent with and conform to the Goals and Policies and the Debt Policy.

Section 3. Bonds Authorized. Pursuant to the Act, this Resolution and the Fiscal Agent Agreement, Bonds in an aggregate principal amount not to exceed \$[24,000,000] are hereby authorized to be issued, with the exact principal amount of the Bonds to be determined by the official signing the Bond Purchase Agreement in accordance with Section 4 below. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms, covenants and conditions of the Bonds shall be as provided in the Fiscal Agent Agreement as finally executed.

Section 4. Authorization and Conditions. The Board President, the Board Secretary, the Library District Director, and any deputy of such officers (each, an “Authorized Officer”), are each hereby authorized and directed to execute and deliver the final form of the various documents and instruments described in this Resolution, with such additions thereto or changes therein as such Authorized Officer may deem necessary and advisable provided that no additions or changes shall authorize an aggregate principal amount of Bonds in excess of \$[24,000,000], a true interest cost on the Bonds in excess of [3.85] % or an underwriter’s discount in excess of 0.408% of the par amount of the Bonds (excluding original issue discount, if any). The approval of such additions or changes shall be conclusively evidenced by the execution and delivery of such documents or instruments by an Authorized Officer, upon consultation with and review by Best Best & Krieger LLP, bond counsel.

Section 5. Fiscal Agent Agreement. The form of Fiscal Agent Agreement by and between CFD No. 2020-1 and the Fiscal Agent, with respect to the Bonds as presented to the Board and on file with the Board Secretary is hereby approved. An Authorized Officer is hereby authorized and directed to cause the same to be completed and executed on behalf of CFD No. 2020-1, subject to the provisions of Section 4 above.

Section 6. Preliminary Official Statement. The Board hereby approves the form of the Preliminary Official Statements as presented to the Board and on file with the Board Secretary. The Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in substantially the form hereby approved, together with such additions thereto and changes therein as are determined necessary by anyone of the Authorized Officers, upon consultation with bond and disclosure counsel, to make the Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 promulgated under the Securities

Exchange Act of 1934, including, but not limited to such additions and changes as are necessary to make all information set forth therein accurate and not misleading.

Section 7. Official Statement. Each of the Authorized Officers is hereby authorized and directed for and in the name and on behalf of CFD No. 2020-1, to cause the Preliminary Official Statement to be brought into the form of a final Official Statement (the “Official Statement”), and to execute the same for and in the name and on behalf of CFD No. 2020-1, with such additions or changes therein as such Authorized Officer may approve (such approval to be conclusively evidenced by such Authorized Officer’s execution and delivery thereon). The Underwriter is further authorized to distribute the Official Statement for the Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of CFD No. 2020-1 as described above.

Section 8. Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement as presented to the Board and on file with the Board Secretary is hereby approved. An Authorized Officer is hereby authorized and directed to cause the same to be completed and executed on behalf of CFD No. 2020-1.

Section 9. Sale of Bonds. The Board hereby authorizes and approves the negotiated sale of the Bonds to the Underwriter. The form of the Bond Purchase Agreement is hereby approved and an Authorized Officer is hereby authorized and directed to execute the Bond Purchase Agreement on behalf of CFD No. 2020-1 upon the execution thereof by the Underwriter, subject to the provisions of Sections 3 and 4 above.

Section 10. Bonds Prepared and Delivered. Upon the execution of the Bond Purchase Agreement, the Bonds shall be prepared, authenticated and delivered, all in accordance with the applicable terms of the Act and the Fiscal Agent Agreement, and any Authorized Officer and other responsible Library District officials, acting for and on behalf of CFD No. 2020-1, are hereby authorized and directed to take such actions as are required under the Bond Purchase Agreement and the Fiscal Agent Agreement to complete all actions required to evidence the delivery of the Bonds upon the receipt of the purchase price thereof from the Underwriter.

Section 11. Authorization to Apply for and Accept Municipal Bond Insurance and/or Municipal Bond Debt Service Reserve Insurance. The Authorized Officers, with the assistance of the Municipal Advisor and the Underwriter, are hereby authorized to apply for and, if deemed cost effective, accept any commitment (a) to provide municipal bond insurance for the Bonds and/or (b) to provide municipal debt service reserve fund insurance for the Bonds. An Authorized Officer is hereby authorized to execute any commitment letter and to do any and all things and to deliver all documents necessary to obtain such municipal bond insurance and municipal debt service reserve fund insurance.

Section 12. Actions. All actions heretofore taken by the officers and agents of the Library District with respect to the establishment of CFD No. 2020-1 and the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Library District, acting for and on behalf of CFD No. 2020-1, are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements, contracts, and other documents, which they, or any of them, may deem necessary or advisable in

order to consummate the lawful issuance and delivery of the Bonds in accordance with the Act, this Resolution, the Fiscal Agent Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, and any certificate, agreement, contract, and other document described in the documents herein approved.

Section 13. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 20th day of December, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

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Jason Capell, Board Secretary

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Katie Clark, Board President

APPROVED AS TO FORM:

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Richard Egger, General Counsel

## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Library District and CFD No. 2020-1 by the Municipal Advisor.

*Principal Amount.* The Municipal Advisor has informed CFD No. 2020-1 and the Library District that, based on the financing plan and current market conditions, its good faith estimate of the principal amount (the “Estimated Principal Amount”), of the Bonds is \$[24,000,000].

*True Interest Cost of the Bonds.* The Municipal Advisor has informed CFD No. 2020-1 and the Library District that, assuming that the Estimated Principal Amount of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the Estimated Principal Amount is [2.828]%.

*Finance Charges of the Bonds.* The Municipal Advisor has informed CFD No. 2020-1 and the Library District that, assuming that the Estimated Principal Amount of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charges for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$[243,206].

*Amount of Proceeds to be Received.* The Municipal Advisor has informed CFD No. 2020-1 and the Library District that, assuming the Estimated Principal Amount, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received for the Bonds, less the finance charges, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$[24,422,500].

*Total Payment Amount.* The Municipal Advisor has informed CFD No. 2020-1 and the Library District that, assuming that the Estimated Principal Amount of the Bonds, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Library District will make to pay debt service on the corresponding the Bonds, calculated to the final maturity of the Bonds, which excludes any reserves or capitalized interest funded or paid with proceeds of such Bonds (which may offset such total payment amount) is \$[37,078,700].

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing and information available at the time of preparation of such estimates on December 6, 2021. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, 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 the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of the Bonds being different from the Estimated Principal Amount, (c) the actual amortization of the 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 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the financing plan, or a combination of such factors. Market interest rates are affected by economic and other factors beyond the control of CFD No. 2020-1 and the Library District.



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FISCAL AGENT AGREEMENT

by and between

ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)

and

U.S. BANK NATIONAL ASSOCIATION,  
as Fiscal Agent

Dated as of \_\_\_\_\_ 1, 2022

Relating to:

\$ \_\_\_\_\_  
Altadena Library District  
Community Facilities District No. 2020-1  
(Facilities and Services)  
2022 Special Tax Bonds

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## FISCAL AGENT AGREEMENT

This Fiscal Agent Agreement dated as of \_\_\_\_\_ 1, 2022, is entered into by and between Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services), a community facilities district organized and existing under the laws of the State of California, and U.S. Bank National Association, as fiscal agent, to establish the terms and conditions and pertaining to the issuance of the Bonds as defined herein.

### ARTICLE I

#### DEFINITIONS

**Section 1.01. Definitions.** As used in this Agreement, the following terms shall have the following meanings:

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

“Administrative Expense Fund” means the fund by that name established and held by the District to pay Administrative Expenses.

“Administrative Expenses” means the expenses directly related to the administration of the District, including, but not limited to, the following: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Library District or a designee thereof or both); the costs of collecting the Special Taxes (whether by the County, the Library District or otherwise); the costs of remitting the Special Taxes to the Fiscal Agent; the costs of the Fiscal Agent (including its legal counsel) in the discharge of the duties of the Fiscal Agent required under this Agreement; the costs of the Library District, the District or any designee thereof of complying with the arbitrage rebate requirements or incurred in participating in and responding to an audit by the Internal Revenue Service; the costs of the Library District, the District or any designee thereof of complying with Library District or District disclosure requirements associated with applicable federal or state securities laws and of the Act or otherwise agreed to by the Library District or property owners developing property within the District; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the Library District, District or any designee thereof related to an appeal of the Special Tax; and the costs of any credit enhancement obtained by the Library District or the District. Administrative Expenses shall also include Delinquency Collection Expenses.

“Administrative Expense Requirement” means an annual amount equal to \$[\_\_\_\_\_], or such lesser amount as may be designated by written instruction from an Authorized Representative to the Fiscal Agent, to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses.

“Agreement” means this Fiscal Agent Agreement, as amended or supplemented pursuant to the terms hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds in such Bond Year, and (b) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year, including from mandatory sinking fund payments.

“Authorized Representative” means the Library District Director, acting on behalf of the District, or any other person designated in writing by the Library District Director and authorized to act on behalf of the District under or with respect to this Agreement and all other agreements related hereto.

“Average Annual Debt Service” means the average annual debt service on the Bonds based upon a Bond Year during the term of the Bonds.

“Bond Counsel” means an attorney or firm of attorneys, selected by the District, of nationally recognized standing in matters pertaining to the tax treatment of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of the State.

“Bondowner” or “Owner”, or any similar term, means any person who shall be the registered owner as shown in the Registration Books or the duly authorized attorney, trustee, representative or assign of any registered owner of any Outstanding Bond.

“Bonds” means the \$\_\_\_\_\_ Altadena Library District Community Facilities District 2020-1 (Facilities and Services) of 2022 Special Tax Bonds issued pursuant to this Agreement.

“Bond Year” means each twelve-month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, except in the case of the initial Bond Year which shall be the period from the Delivery Date to and including September 1, 2022.

“Business Day” means a day that is not a Saturday or a Sunday or a day of the year on which banks in New York, New York and Los Angeles, California, or where the Principal Corporate Trust Office is located, are not required or authorized to remain open.

“Capitalized Interest Sub-Account” means the sub-account by that name within the Interest Account of the Debt Service Fund established pursuant to Section 3.01 hereof.

“Library District” means the Altadena Library District.

“Library District Director” means the Library District Director of the Library District, acting for and on behalf of the District.

“Code” means the Internal Revenue Code of 1986, as amended.

“Comptroller of the Currency” shall mean the Comptroller of the Currency of the United States.

“Costs of Issuance” means all of the costs of formation of the District and the costs of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with this Agreement and any supplemental Agreement, the Bonds, and any and all other

agreements, instruments, certificates or other documents issued in connection therewith; any computer and other expenses incurred in connection with the Bonds; the initial fees and expenses of the Fiscal Agent (including without limitation, acceptance fees and first annual fees payable in advance); and other fees and expenses incurred in connection with the formation of the District and the issuance of the Bonds, to the extent such fees and expenses are approved by the District.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.01 hereof.

“County” means the County of Los Angeles, California.

“Debt Service Fund” means the fund by that name established pursuant to Section 3.01 hereof.

“Debt Service on Parity Refunding Obligations” means the gross debt service due in any Bond Year on any refunding bonds or other refunding obligations which have, or purport to have, a lien upon the Net Special Tax Revenues on a parity with the lien of the Bonds.

“Delinquency Collection Expenses” means those fees and expenses of the District incurred by or on behalf of the District related to the collection of delinquent Special Taxes.

“Delinquency Proceeds” means the amounts collected from the redemption of delinquent Special Taxes including the penalties and interest thereon and from the sale of property sold as a result of the foreclosure of the lien of the Special Tax resulting from the delinquency in the payment of Special Taxes due and payable on such property.

“Delivery Date” means the date on which the Bonds are issued and delivered to the initial purchaser thereof.

“Depository” shall mean DTC and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the District discontinues use of the Depository pursuant to this Agreement, any other securities depository which agrees to follow procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Library District Director.

“District” means Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) situated in the Library District and formed by the Legislative Body.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Fiscal Agent” means U.S. Bank National Association as Fiscal Agent under this Agreement, and any successor thereto.

“Fiscal Year” means the 12 month period beginning July 1 of each year and terminating on June 30 of the following year, or any other annual accounting period hereinafter selected and designated by the District as its fiscal year in accordance with applicable law.

“Government Obligations” means obligations described in Paragraph 1 of the definition of Permitted Investments.

“Gross Proceeds” has the meaning ascribed to such term in Section 148(f)(6) of the Code.

“Independent Accountant” means any certified public accountant or firm of such certified public accountants appointed and paid by the District, and who, or each of whom -

1. is in fact independent and not under domination of the District or the Library District;
2. does not have any substantial interest, direct or indirect, in the District or the Library District; and
3. is not an officer or employee of the District or the Library District, but who may be regularly retained to make annual or other audits of the books of or reports to the Library District or the District.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>); and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in writing to the Fiscal Agent.

“Interest Payment Date” means March 1 and September 1 of each year, commencing [March 1, 2022].

“Investment Agreement” means any investment satisfying the requirements of Paragraph 11 of the definition of Permitted Investments.

“Legislative Body” means the Board of Trustees of the Library District, acting as the legislative body of the District.

“Library District” means the Altadena Library District.

“Library District Director” means the Library District Director of the Library District, acting for and on behalf of the District.

“Maximum Annual Debt Service” means, as of the date of any calculation, the largest Annual Debt Service during the current or any future Bond Year.

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

“Net Special Tax Revenues” means the Special Tax Revenues minus amounts applied annually to fund the Administrative Expense Requirement.

“Nominee” shall mean the nominee of the Depository which may be the Depository, as determined from time to time by the Depository.

“Outstanding” means as to the Bonds, all of the Bonds, except:

1. Bonds theretofore canceled or surrendered for cancellation in accordance with Section 6.03 hereof;

2. Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Fiscal Agent pursuant to the terms hereof; and

3. Bonds for the payment or redemption of which monies shall have been theretofore deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds).

“Parity Refunding Obligations” means any refunding bonds or other refunding obligations which have, or purport to have, a lien upon the Net Special Tax Revenues on a parity with the lien of the Bonds.

“Participant” shall mean a member of or participant in the Depository.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Fiscal Agent shall be entitled to rely upon any written investment direction from an Authorized Representative as a certification to the Fiscal Agent that such investment constitutes a Permitted Investment):

1. A. Direct obligations (other than an obligation subject to variation in principal payment) of the United States of America (“United States Treasury Obligations”);

B. Obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;

C. Obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or

D. Evidences of ownership of proportionate interests in future interest and principal payments on obligations described above 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 government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

A. Federal Home Loan Mortgage Corporation (FHLMC)

(1) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)



(2) Senior debt obligations

B. Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)

(1) Consolidated system-wide bonds and notes

C. Federal Home Loan Banks (FHL Banks)

(1) Consolidated debt obligations

D. Federal National Mortgage Association (FNMA)

(1) Senior debt obligations

(2) Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

4. Unsecured certificates of deposit, time deposits or other bank deposit products, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1+" or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$15 million.

6. Commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's.

7. Money market mutual funds rated "AAM" or "AAM-G" by S&P, or better.

8. State Obligations, which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least "A3" by Moody's and at least "A-" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "MIG 1" by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in A. above and rated "AA-" or better by S&P and "Aa3" or better by Moody's.

9. Pre-refunded municipal obligations rated "AA+" by S&P and "Aaa" by Moody's meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A-” by S&P and “Aa3” by Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A-” by S&P and “A3” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation, or (3) any other entity rated “A-” or better by S&P and “A3” by Moody’s, provided that:

A. The (i) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA and 104% of the total principal when the collateral type is FNMA and FHLMC (“Eligible Collateral”);

B. The Fiscal Agent or a third party acting solely as agent therefor or for the District (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);

C. The collateral shall be marked to market on a daily basis and the provider or Holder of the Collateral shall send monthly reports to the Fiscal Agent and the District setting forth

the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Holder of the Collateral;

D. The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the 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 the Collateral is in possession);

E. The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the District or the Fiscal Agent, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the District or Fiscal Agent.

Notwithstanding the above, collateral levels need not be as specified in "A" above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.

11. Investment agreements with a domestic or foreign bank or corporation the long-term debt or financial strength of which, it or its guarantor is rated at least "AA" by S&P and "Aa3" by Moody's; provided that, by the terms of the investment agreement:

A. the invested funds are available for withdrawal without penalty or premium, upon not more than seven days' prior notice; the District and the Fiscal Agent hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

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, in the case of a bank, that the obligation of the bank to make payments under the agreement ranks *pari passu* with the obligations of the bank to its other depositors and its other unsecured and unsubordinated creditors;

C. the District and the Fiscal Agent receives the opinion of domestic counsel that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);

D. the investment agreement shall provide that if during its term

(1) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", 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 District, the Fiscal Agent or a Holder of the 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 S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (b) transfer and assign the investment agreement to a then qualifying counterparty with ratings specified above; and

(2) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the District or the Fiscal Agent, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment;

E. the investment agreement shall state and an opinion of counsel shall be rendered, in the event 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 the 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 the Collateral is in possession);

F. the investment agreement must provide that if during its term

(1) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the District or the Fiscal Agent, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or Fiscal Agent, as appropriate, and

(2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("Event of Insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or Fiscal Agent, as appropriate.

12. The Local Agency Investment Fund (LAIF) administered by the treasurer of the State to the extent such deposits remain in the name of and control of the Fiscal Agent.

13. The California Asset Management Program (CAMP) Pool.

Whenever reference is made in this definition of Permitted Investments to "collateral," collateral shall be limited to (i) cash and securities issued or guaranteed by the United States Government, including United States Treasury obligations and any other obligations the timely payment of the principal of and interest on which are guaranteed by the United States Government, and (ii) bonds, notes, debentures, obligations or other evidences of indebtedness issued or guaranteed by the Government National Mortgage Association, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, or any other agency or instrumentality of the United States or America including but not limited to, mortgage participation certificates, mortgage pass-through certificates, and other mortgage-backed securities.

"Principal Corporate Trust Office" means the office of the Fiscal Agent at 633 West Fifth Street, 24<sup>th</sup> Floor, Los Angeles, California 90071 or such other offices as may be specified to the District by the Fiscal Agent in writing; provided, however for transfer, registration, exchange, payment and surrender of Bonds Principal Corporate Trust Office means the corporate trust office of U.S. Bank National Association in St. Paul, Minnesota or such other address specified by the Fiscal Agent to the District in writing.

"Project" means the authorized facilities as set forth and described in Exhibit A to the Resolution of Formation.

“Project Costs” means all expenses of and incidental to the construction of the Project.

“Project Fund” means the fund by that name established pursuant to Section 3.01 hereof.

“Rebate Fund” means the fund by that name established pursuant to Section 3.01 hereof.

“Record Date” shall mean the fifteenth (15th) calendar day of the month immediately preceding an Interest Payment Date.

“Redemption Fund” means the fund by that name established pursuant to Section 3.01 hereof.

“Registration Books” shall have the meaning given such term in Section 2.08 hereof.

“Regulations” means the regulations promulgated under the Code.

[“Reserve Fund” means the fund by that name established pursuant to Section 3.01 hereof.]

“Reserve Requirement” means an amount initially equal to \$\_\_\_\_\_ which amount shall, as of any date of calculation, be equal to the least of (i) Maximum Annual Debt Service for the Bonds, (ii) one hundred twenty-five percent (125%) of Average Annual Debt Service for the Bonds, and (iii) ten percent (10%) of the original issue price of the Bonds calculated in accordance with Treasury Regulations Section 1.148-2(f)(1).

“Resolution of Formation” means Resolution No. 2020-08 of the Board of Trustees of the Library District forming and establishing the District.

“Securities Depository” means, as of the Delivery Date, The Depository Trust Company, 55 Water Street, New York, New York 10041 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addressees providing depository services with respect to bonds as the District may designate in writing to the Fiscal Agent.

“Special Tax” means the Special Tax authorized to be levied in the District pursuant to the Act and the Special Tax RMA.

“Special Tax Consultant” means any person or firm possessing demonstrated experience and expertise in the preparation of special tax formulas and/or the administration of special taxes levied for community facilities districts. Any such person or firm shall be appointed and paid by the District and who, or each of whom –

1. is in fact independent and not under domination of the District or the Library District;
2. does not have any substantial interest, direct or indirect, in the District or the Library District; and
3. is not an officer or employee of the District or the Library District, but who may be regularly retained by the Library District or other community facilities districts formed by the Library District to administer the levy of special taxes within such community facilities districts.

“Special Tax Fund” means the fund by that name established pursuant to Section 3.01 hereof.

“Special Tax Revenues” means (a) the proceeds of the Special Tax levied by the District pursuant to the Special Tax RMA and received by the District, and (b) the Delinquency Proceeds.

“Special Tax RMA” means the rate and method of apportionment of the Special Tax originally authorized to be levied on property within the District as approved at the special election held within the District on November 3, 2021, and as it may be modified from time to time in accordance with the Act.

“S&P” means S&P Global Ratings, its successors and assigns.

“State” means the State of California.

“Supplemental Agreement” means any Fiscal Agent Agreement then in full force and effect which has been duly approved by resolution of the Legislative Body under and pursuant to the Act at a meeting of the Legislative Body duly convened and held, at which a quorum was present and acted thereon, amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Agreement is specifically authorized hereunder.

“Tax Certificate” means the certificate delivered by the District on the Delivery Date relating to the requirements of Section 148 of the Code, as it may be amended and supplemented from time to time.

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

“Term Bonds” means the Bonds maturing on \_\_\_\_\_, 20\_\_, \_\_\_\_\_, 20\_\_ and on \_\_\_\_\_, 20\_\_.

“Yield” has the meaning assigned to such term for purposes of Section 148(f) of the Code.

## ARTICLE II

### GENERAL AUTHORIZATION AND TERMS

**Section 2.01. Amount, Issuance and Purpose.** Pursuant to the provisions of the Act, the Legislative Body has authorized the issuance of the Bonds in an aggregate principal amount of \$\_\_\_\_\_. The Bonds shall be designated “Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) 2022 Special Tax Bonds.” The purpose of the Bonds shall be to (a) pay for the construction of the Project, (b) [fund the Reserve Fund,] (c) fund capitalized interest on a portion of the Bonds through \_\_\_\_\_ 1, 20\_\_, (d) fund certain Administrative Expenses of the District and (e) pay the Costs of Issuance.

**Section 2.02. Type and Nature of Bond.** The Bonds and interest thereon, together with any premium paid thereon upon redemption, are not obligations of the Library District, but are limited obligations of the District secured by and payable from an irrevocable first lien on the Net

Special Tax Revenues and on the monies in the funds and accounts established herein (including the investment earnings thereon) with the exception of the Project Fund, the Administrative Expense Fund and the Rebate Fund. Except for the Net Special Tax Revenues, neither the faith and credit nor the taxing power of the District or the Library District is pledged for the payment of the Bonds or the interest thereon, and no Owner of the Bonds may compel the exercise of taxing power by the District, except as to the Special Taxes, or the Library District or the forfeiture of any of their property. The principal of and interest on the Bonds and premiums upon the redemption thereof, if any, are not a debt of the District or the Library District, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds are not a legal or equitable pledge, charge, lien or encumbrance upon any of the District's property, or upon any of its income, receipts or revenues, except the amounts which are, under this Agreement and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the Legislative Body, the Library District Council of the Library District, nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Notwithstanding anything contained in this Agreement, the District shall not be required to advance any money derived from any source of income other than the Net Special Tax Revenues for the payment of the interest on or the principal of the Bonds or for the performance of any covenants herein contained.

Nothing in this Agreement or in any Supplemental Agreement shall preclude the redemption prior to maturity of any Bonds subject to call and redemption or the payment of the Bonds from proceeds of the refunding bonds issued under the Act or under any other law of the State.

**Section 2.03. Terms of the Bonds.** The Bonds shall mature on September 1 in the years, and in the respective principal amounts set forth opposite such years, and shall bear interest at the respective rates per annum, as follows:

<b><u>Maturity Date</u></b> <b><u>(September 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate (%)</u></b>
2022	\$ _____	_____ %
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2034		
2035		
2036		
2037		
2038		
2039		
2044		
2049		

**Section 2.04. Description of Bonds; Interest Rates.** The Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof within a single maturity and shall be numbered as desired by the Fiscal Agent. The Bonds shall be dated as of the Delivery Date. The Bonds shall mature and be payable in the years and in the aggregate principal amounts and shall bear interest at the rates set forth in Section 2.03. Interest shall be payable with respect to each Bond on each Interest Payment Date (commencing September 1, 2019), until the principal sum of that Bond has been paid; provided, however, that if at the maturity date of any Bond (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof, in full accordance with the terms of this Agreement, such Bond shall then cease to bear interest from such maturity date (or date of earlier redemption).

**Section 2.05. Payment.** The principal of and interest on the Bonds shall be payable in lawful money of the United States of America. The principal of the Bonds and any premium due upon the redemption thereof shall be payable upon presentation and surrender thereof at maturity or the earlier redemption thereof at the Principal Corporate Trust Office of the Fiscal Agent.

Interest on any Bond shall be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of



authentication or (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest shall be payable from the date of the Bonds; provided, however, that if at the time of authentication of a Bond, interest is in default, interest on that Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment. Interest on any Bond shall be paid to the person whose name shall appear in Registration Books as the owner of such Bond as of the close of business on the Record Date immediately preceding such Interest Payment Date. Such interest shall be paid by check of the Fiscal Agent mailed to such Bondowner at his or her address as it appears on the Registration Books or, upon the request in writing prior to the Record Date of a Bondowner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such Owner. Interest with respect to each Bond shall be computed using a year of 360 days comprised of twelve 30-day months.

**Section 2.06. Execution of Bonds.** The Bonds shall be executed manually or in facsimile by the Board President of the Library District and countersigned by the Board Secretary of the Library District, each acting on behalf of the District. The Bonds shall then be delivered to the Fiscal Agent for authentication and registration. In case an officer who shall have signed or attested to any of the Bonds by facsimile or otherwise shall cease to be such officer before the authentication, delivery and issuance of the Bonds, such Bonds nevertheless may be authenticated, delivered and issued, and upon such authentication, delivery and issue, shall be as binding as though those who signed and attested the same had remained in office.

**Section 2.07. Order to Print and Authenticate Bonds.** The Library District Director is hereby instructed to cause Bonds in the form as set forth herein to be printed, and to proceed to cause said Bonds to be authenticated and delivered to an authorized representative of the initial purchaser of the Bonds, upon payment of the purchase price as set forth in the purchase contract for the sale of the Bonds.

**Section 2.08. Books of Registration; Book Entry System.** There shall be kept by the Fiscal Agent, sufficient books for the registration and transfer of the Bonds (the "Registration Books") and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said register, Bonds as hereinbefore provided. The ownership of the Bonds shall be established by the Registration Books. Whenever any Bond or Bonds shall be surrendered for registration of transfer or exchange, the Fiscal Agent shall authenticate and deliver a new Bond or Bonds of the same maturity, for a like aggregate principal amount of authorized denominations; provided that the Fiscal Agent shall not be required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding the date of any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

The Bonds shall be initially issued in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial issuance, the ownership of such Bonds shall be registered in the name of the Nominee identified below as nominee of the Depository. Except as hereinafter provided, all of the Outstanding Bonds shall be registered in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section.

With respect to the Bonds registered in the name of the Nominee, neither the District nor the Fiscal Agent shall have any responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the District nor the Fiscal Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Registration Books, of any amount with respect to principal of or interest on the Bonds. The District and the Fiscal Agent may treat and consider the person in whose name each Bond is registered as the holder and absolute Owner of such Bond for the purpose of payment of principal and interest with respect to such Bond for the purpose of giving notices or prepayment if applicable, and other matters with respect to such Bond for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The District shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owner of a Bond, as shown in the Registration Books, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the District to make payments of principal and interest pursuant to this Agreement. Upon delivery by the Depository to the Owners of the Bond, and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Agreement shall refer to such nominee of the Depository.

In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the Depository shall no longer so act and gives notice to the District of such determination, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new, single, separate, fully registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in the register in the name of the Nominee, but shall be registered in whatever name or names Owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof and the District shall prepare and deliver Bonds to the Owners thereof for such purpose.

In the event of a reduction in aggregate principal amount of Bonds Outstanding or a refunding of part of the Bonds Outstanding, DTC, in its discretion, (a) may request the District to prepare and issue a new Bond or (b) may make an appropriate notation on the Bond indicating the date and amounts of such reduction in principal, but in such event the Registration Books maintained by the Fiscal Agent shall be conclusive as to what amounts are Outstanding on the Bond, except in the case of final maturity, in which case the Bond must be presented to the Fiscal Agent prior to payment.

Notwithstanding any other provision of this Agreement to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal and interest with respect to such Bond and all notice with respect to such Bond shall be made and given respectively, as instructed by the Depository and acceptable to the District.

The initial Nominee shall be Cede & Co., as Nominee of DTC.

**Section 2.09. Exchange of Bonds.** Bonds may be exchanged at the Principal Corporate Trust Office for a like aggregate principal amount of Bonds of authorized denominations, interest rate and maturity, subject to the terms and conditions of this Agreement, including the payment of certain charges, if any, upon surrender and cancellation of a Bond. Upon such transfer and exchange, a new registered Bond or Bonds of any authorized denomination or denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

**Section 2.10. Negotiability, Registration and Transfer of Bonds.** The transfer of any Bond may be registered only upon the Registration Books upon surrender thereof to the Fiscal Agent, together with an assignment duly executed by the Owner or his attorney or legal representative, in satisfactory form. Upon any such registration of transfer, a new Bond or Bonds shall be authenticated and delivered in exchange for such Bond, in the name of the transferee, of any denomination or denominations authorized by this Agreement, and in an aggregate principal amount equal to the principal amount of such Bond or Bonds so surrendered. In all cases in which Bonds shall be exchanged or transferred, the Fiscal Agent shall authenticate the Bonds in accordance with the provisions of this Agreement. All Bonds surrendered in such exchange or transfer shall forthwith be canceled. The Fiscal Agent may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration or transfer.

**Section 2.11. Authentication.** Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto, manually executed by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Fiscal Agent 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 Agreement.

**Section 2.12. Additional Bonds.** The District may not issue any other bonds or obligations payable, principal or interest, from the Special Taxes which have, or purport to have, any lien upon the Special Taxes superior to or, except as permitted below, on a parity with the lien of the Bonds herein authorized; provided, however, that the District may issue and sell, pursuant to law, Parity Refunding Obligations so long as the issuance of such Parity Refunding Obligations results in a reduction in each Bond Year on the Annual Debt Service on the Bonds when combined with the Debt Service on Parity Refunding Obligations following the issuance of such Parity Refunding Obligations.

### ARTICLE III

### FUNDS AND ACCOUNTS

**Section 3.01. Establishment of Special Funds.** The following funds and accounts identified in this Section 3.01 are hereby created and established and shall be maintained by the Fiscal Agent:

- A. Special Tax Fund;
- B. Debt Service Fund, and within the Debt Service Fund, the Interest Account, and within the Interest Account, the Capitalized Interest Sub-Account, and the Principal Account;
- C. Rebate Fund;
- D. Redemption Fund;
- E. Project Fund;
- F. [Reserve Fund; and]
- G. Costs of Issuance Fund.

The District may, through written instructions from an Authorized Representative, direct the Fiscal Agent to establish such other accounts or sub-accounts, as may be necessary to carry out the administration of the Bonds and the proceeds of the Bonds.

**Section 3.02. Special Tax Fund.**

A. After the District has received Special Tax Revenues in an amount equal to the Administrative Expense Requirement and deposited such Special Tax Revenues in the Administrative Expense Fund, the District shall, no later than the tenth (10th) Business Day after which Special Tax Revenues have been received by the District and in any event not later than February 15th and August 15th of each year, transfer such Special Tax Revenues to the Fiscal Agent and, except as set forth in the following sentence, such amounts shall be deposited in the Special Tax Fund.

B. The Special Tax Revenues deposited in the Special Tax Fund shall be held in trust and deposited in the following accounts of the Special Tax Fund or transferred to the following other funds and accounts on the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

1. The Fiscal Agent shall transfer to the Interest Account of the Debt Service Fund, on each Interest Payment Date, an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest due or becoming due and payable on such Interest Payment Date on all Outstanding Bonds or to be paid on the Bonds being redeemed on such date.

2. The Fiscal Agent shall transfer to the Principal Account of the Debt Service Fund, on each September 1, an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of, and premium (if any) on the Bonds coming due

and payable on such September 1, whether at maturity or by mandatory sinking fund payments on the Term Bonds.

3. On or after September 2 of each year after making the deposits and transfers required under 1. through 2. above, the Fiscal Agent shall transfer the amount, [if any, necessary to replenish the amount then on deposit in the Reserve Fund to an amount equal to the Reserve Requirement.]

4. On or after September 2 of each year after making the deposits and transfers required under 1. through 3. above, upon receipt of written instructions from an Authorized Representative, the Fiscal Agent shall transfer from the Special Tax Fund to the Rebate Fund the amount specified in such request.

5. On or after September 2 of each year after making the deposits and transfers required under 1. through 4. above, upon receipt of a written request of an Authorized Representative, the Fiscal Agent shall transfer from the Special Tax Fund to the District for deposit in the Administrative Expense Fund the amounts specified in such request to pay those Administrative Expenses which the District reasonably expects will become due and payable during such Fiscal Year or the cost of which Administrative Expenses have previously been incurred and paid by the District from funds other than the Administrative Expense Fund in excess of the Administrative Expense Requirement for such Fiscal Year.

6. If, on or after September 2 of each year, after making the deposits and transfers required under 1. through 5. above, monies remain in the Special Tax Fund, such monies shall be transferred to the Project Fund until the Project Fund is closed.

C. When there are no longer any Bonds Outstanding, any amounts then remaining on deposit in the Special Tax Fund shall be transferred to the District and used for any lawful purpose under the Act.

### **Section 3.03. Debt Service Fund.**

A. Interest Account. All moneys in the Interest Account, including the Capitalized Interest Sub-Account, shall be used and withdrawn by the Fiscal Agent solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity). Funds in the amount of \$\_\_\_\_\_ deposited in the Capitalized Interest Sub-Account shall be used and withdrawn to pay interest on the Bonds on September 1, 20\_\_ prior to using any other funds on deposit in the Interest Account for such purpose.

B. Principal Account. All moneys in the Principal Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of (i) paying the principal of the Bonds at the maturity thereof, or (ii) paying the principal of the Term Bonds upon the mandatory sinking fund redemption thereof pursuant to this Agreement.

**Section 3.04. Costs of Issuance Fund.** The Fiscal Agent shall, upon receipt of a payment request in the form set forth in Exhibit B hereto duly executed by an Authorized Representative, disburse money from the Costs of Issuance Fund, if any, on such dates and in such amounts as specified in such requisition to pay the Costs of Issuance related to the Bonds. Any amounts

remaining on deposit in the Costs of Issuance Fund on the earlier of the date on which all Costs of Issuance have been paid as stated in writing by an Authorized Representative delivered to the Fiscal Agent or six months after the Delivery Date shall be transferred to the Project Fund. Upon such transfer the Costs of Issuance Fund shall be closed.

**Section 3.05. Project Fund.** The Fiscal Agent shall, from time to time, disburse monies from the Project Fund to pay the Project Costs. Upon receipt of a payment request in the form set forth in Exhibit C hereto duly executed by an Authorized Representative, the Fiscal Agent shall pay the Project Costs from amounts in the Project Fund directly to the contractor(s) or such other person(s), corporation(s) or entity(ies) specified in the payment request (including reimbursements, if any, to the District). The Fiscal Agent may rely on an executed payment request as complete authorization for said payments.

After the final payment or reimbursement of all Project Costs, as certified by delivery of a written notice from an Authorized Representative to the Fiscal Agent, the Fiscal Agent shall transfer excess monies, if any, on deposit in, or subsequently deposited in, the Project Fund to the Special Tax Fund and the Fiscal Agent shall apply the amount so transferred in accordance with Section 3.02 herein. Upon such transfer the Project Fund shall be closed.

Notwithstanding anything herein to the contrary, if on the date which is three (3) years from the Delivery Date of the Bonds any funds derived from the Bonds remain on deposit in the Project Fund, the Fiscal Agent shall, upon the receipt of written instructions from an Authorized Representative, immediately restrict the yield on such amounts so that the Yield earned on the investment of such amounts is not in excess of the Yield on the Bonds, unless in the written opinion of Bond Counsel delivered to the Fiscal Agent such restriction is not necessary to prevent an impairment of the exclusion of interest on the Bonds from gross income for federal income tax purposes.

[If the District fails to expend all moneys in the Project Fund for the Project Costs by [\_\_\_\_\_, 202\_], the District may elect to transfer funds in the Project Fund to the Redemption Fund in accordance with Section 4.03A, as certified by delivery of a written notice from an Authorized Representative to the Fiscal Agent.]

**Section 3.06. Reserve Fund.** Moneys on deposit in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds as such amounts shall become due and payable in the event that the moneys in the Special Tax Fund and the Debt Service Fund for such purpose are insufficient therefor or redeeming Bonds as described below. The Fiscal Agent shall, when and to the extent necessary, withdraw money from the Reserve Fund and transfer such money to the Debt Service Fund or the Redemption Fund for such purpose.

All Permitted Investments in the Reserve Fund shall be valued at their fair market value semi-annually on March 1 and September 1 and on any other date as requested in writing by an Authorized Representative. On any date after the transfers required by Section 3.02B(1) and (2) have been made for any Bond Year, if the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the Fiscal Agent shall transfer to the Reserve Fund from the first available monies in the Special Tax Fund an amount necessary to increase the balance therein to the Reserve Requirement. If on September 1 of each year following the payment of scheduled debt service on

the Bonds due and payable on such date, or the first Business Day thereafter if September 1 is not a Business Day, the amount on deposit in the Reserve Fund is in excess of the Reserve Requirement, the Fiscal Agent shall transfer such excess to the Special Tax Fund. In connection with any optional redemption of Bonds or a partial defeasance of Bonds, amounts in the Reserve Fund may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Fund following such redemption or partial defeasance equals the Reserve Requirement. The District shall set forth in a written request of an Authorized Representative the amount in the Reserve Fund to be transferred to the Redemption Fund on a redemption date or to be transferred pursuant to this Agreement to partially defease Bonds, and the Fiscal Agent shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

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 Fiscal Agent shall transfer the amount in the Reserve Fund to the Redemption Fund to be applied, on the next succeeding Interest Payment Date, to the payment and redemption, in accordance with Section 4.03A of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Redemption Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the District to be used for any lawful purpose of the District as set forth in the Act.]

**Section 3.07. Rebate Fund.** The District shall calculate Excess Investment Earnings as defined in, and in accordance with, the Tax Certificate, and shall, in writing, direct the Fiscal Agent to transfer funds to the Rebate Fund from funds furnished by the District as provided for in Section 3.02B. 4 of this Agreement and the Tax Certificate.

Notwithstanding the foregoing, the Tax Certificate, including the method of computing Excess Investment Earnings (as defined in the Tax Certificate) may be modified, in whole or in part, without the consent of the Owners of the Bonds, upon receipt by the District of an opinion of Bond Counsel to the effect that such modification shall not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds then Outstanding.

The Fiscal Agent shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Fiscal Agent shall be deemed conclusively to have complied with the provisions of this Agreement regarding calculation and payment of rebate if it follows the directions of the District and it shall have no independent duty to review such calculations or enforce the compliance by the District with such rebate requirements.

**Section 3.08. Redemption Fund.** Monies may be deposited by the District or the Fiscal Agent pursuant to the terms of Sections 3.02C or 3.06 into the Redemption Fund and shall be set aside and used solely for the purpose of redeeming Bonds in accordance with Section 4.03A. Following the redemption of any Bonds, if any funds remain in the Redemption Fund, such funds shall be transferred to the Special Tax Fund.

**Section 3.09. Investment of Funds.** Unless otherwise specified in this Agreement, monies in the Special Tax Fund, the Debt Service Fund, the Project Fund, [the Reserve Fund] and the Costs of Issuance Fund shall, at the written direction of an Authorized Representative given at least two (2) days prior, be invested and reinvested in Permitted Investments (including investments with the

Fiscal Agent or an affiliate of the Fiscal Agent or investments for which the Fiscal Agent or an affiliate of the Fiscal Agent acts as investment advisor or provides other services so long as the investments are Permitted Investments). Monies in the Redemption Fund and the Rebate Fund shall, at the written direction of an Authorized Representative, be invested in Government Obligations. Notwithstanding anything herein to the contrary, in the absence of written investment instructions, the Fiscal Agent shall invest solely in investments identified in paragraph 7 of the definition of Permitted Investments.

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

Obligations purchased as investments of monies in any fund or account shall be deemed at all times to be a part of such fund or account. Except as provided otherwise herein, any income realized on or losses resulting from investments in any fund or account shall be credited or charged to such fund or account. Subject to the restrictions set forth herein and/or any written investment instructions received by Fiscal Agent pursuant to this Section 3.09, monies in said funds and accounts may be from time to time invested by the Fiscal Agent in any manner so long as:

(1) Monies in the Project Fund and Rebate Fund shall be invested in obligations which will by their terms mature as close as practicable to the date the District estimates the monies represented by the particular investment will be needed for withdrawal from such fund; and

(2) Monies in the Special Tax Fund, the Debt Service Fund, the Redemption Fund and the [Reserve Fund] shall be invested only in obligations which will by their terms either mature or allow for withdrawals at par on such dates so as to ensure the payment of principal and interest on the Bonds as the same become due; provided, however, that except for Permitted Investments which permit withdrawal at par at any time, [investment of monies on deposit in the Reserve Fund shall have an average aggregate weighted term not greater than five (5) years.]

The Fiscal Agent shall sell or present for redemption any obligations so purchased whenever it may be necessary to do so in order to provide monies to meet any payment or transfer for such funds and accounts or from such funds and accounts. The Fiscal Agent shall not be liable for any loss from any investments made or sold by it in accordance with the provisions of this Agreement.

**Section 3.10. Disposition of Bond Proceeds.**

Upon the receipt of \$\_\_\_\_\_ as the sale proceeds for the Bonds (being the par amount of \$\_\_\_\_\_, plus net original issue premium of \$\_\_\_\_\_ and less the underwriter's discount of \$\_\_\_\_\_), the Fiscal Agent shall transfer or set aside and deposit or cause to be deposited such funds as follows:

\$\_\_\_\_\_ shall be deposited in the Project Fund;

[\$\_\_\_\_\_ shall be deposited in the Reserve Fund;]



\$ \_\_\_\_\_ shall be deposited into the Costs of Issuance Fund;

\$ \_\_\_\_\_ shall be deposited in the Capitalized Interest Sub-Account of the Interest Account of the Debt Service Fund; and

\$ \_\_\_\_\_ shall be transferred to the District to be deposited in the Administrative Expense Fund.

The Fiscal Agent may establish such temporary funds or accounts on its records as it may deem appropriate to facilitate such deposits and transfer.

## ARTICLE IV

### REDEMPTION

#### **Section 4.01. Notice of Redemption.**

A. Notice to Bondholders: So long as the Bonds are held in book-entry form by the Depository, or its Nominee, notice of redemption should be given to the Depository in such manner as is set forth in the procedures of the Depository, at least thirty (30) days but not more than forty-five (45) days prior to the redemption date. If the Bonds are no longer registered to the Depository, or its Nominee, the Fiscal Agent shall mail, at least thirty (30) days but not more than forty-five (45) days prior to the date of redemption, notice of redemption, by first-class mail, postage prepaid, to the original purchaser of the Bonds and the respective registered Owners of the Bonds at the addresses appearing on the Registration Books. The notice of redemption shall: (a) state the redemption date; (b) state the redemption price; (c) state the bond registration numbers, dates of maturity and CUSIP numbers of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part, the respective principal portions to be redeemed; provided, however, that whenever any call includes all Bonds of a maturity, the numbers of the Bonds of such maturity need not be stated; (d) state that such Bonds must be surrendered at the Principal Corporate Trust Office of the Fiscal Agent; (e) state that further interest on such Bonds will not accrue from and after the designated redemption date; (f) state the date of the issue of the Bonds as originally issued; (g) state the rate of interest borne by each Bond being redeemed; and (h) state that any other descriptive information needed to identify accurately the Bonds being redeemed as the District shall direct.

B. Further Notice: In addition to the notice of redemption given pursuant to Section 4.01A above, further notice shall be given as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption shall be sent at the same time that the notice of redemption is mailed to the Bondholders pursuant to Section 4.01A by registered or certified mail or overnight delivery service to the Securities Depository and to at least one (1) Information Services that disseminate notice of redemption of obligations similar to the Bonds or, in accordance with the then-current guidelines of the Securities and Exchange Commission, such other services providing information on called bonds, or no such other services, as District may determine in its sole discretion.

C. Conditional Notice: Any notice of optional redemption of the Bonds delivered in accordance with Section 4.03A may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the District shall not be required to redeem such Bonds and the redemption shall not be made and the Fiscal Agent shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

D. Right to Rescind: The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Debt Service Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission

E. Failure to Receive Notice: So long as notice has been provided as set forth in Section 4.01A above, the actual receipt by the Owner of any Bond of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for redemption of such Bonds or the cessation of interest on the date fixed for redemption.

F. Certificate of Giving Notice: The notice or notices required by this Section shall be given by the Fiscal Agent on behalf of the District. A certificate by the Fiscal Agent that notice of call and redemption has been given to the registered Owners of the Bonds as herein provided shall be conclusive as against all parties, and no Owner whose Bond is called for redemption may object thereto, or object to cessation of interest on the redemption date, by any claim or showing that he failed to receive actual notice of call and redemption.

**Section 4.02. Effect of Redemption**. When notice of redemption has been given substantially as provided for herein, and when the amount necessary for the redemption of the Bonds called for redemption is set aside for that purpose in the Debt Service Fund or the Redemption Fund, as provided for herein, the Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof, and upon presentation and surrender of said Bonds at the place specified in the notice of redemption, said Bonds shall be redeemed and paid at the redemption price out of the Debt Service Fund or the Redemption Fund and no interest will accrue on such Bonds or portions of Bonds called for redemption from and after the redemption date specified in said notice, and the Owners of such Bonds so called for redemption after such redemption date shall look for the payment of principal and premium, if any, of such Bonds or portions of Bonds only to the Debt Service Fund or the Redemption Fund, as applicable. All Bonds redeemed shall be canceled forthwith by the Fiscal Agent and shall not be reissued. Upon surrender of Bonds redeemed in part, a new Bond or Bonds of the same maturity shall be registered, authenticated and delivered to the registered Owner at the expense of the District, in the aggregate principal amount of the unredeemed

portion. All unpaid interest payable at or prior to the date fixed for redemption shall continue to be payable to the respective registered owners of such Bonds or their order, but without interest thereon.

**Section 4.03. Redemption Prices and Terms.**

A. Extraordinary Redemption. The Bonds are subject to redemption in whole or in part, without premium, on any date in the principal amount thereof, together with accrued interest to the date fixed for redemption, upon the transfer of moneys from the Project Fund pursuant to Section 3.05 hereof.]

<u>Redemption Date</u>	<u>Redemption Price</u>
September 1, 20__ and March 1, 20__	__%
September 1, 20__ and March 1, 20__	__
September 1, 20__ and March 1, 20__	__
September 1, 20__ and any Interest Payment Date thereafter	__

B. Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 20\_\_ are subject to mandatory sinking fund redemption, in part by lot, on September 1 in each year commencing September 1, 20\_\_ at a redemption price equal to the principal amount of the Term Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amount and in the years shown on the following redemption schedule:

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
20__	\$ _____
20__	_____
20__ (maturity)	_____

The Term Bonds maturing on September 1, 20\_\_, are subject to mandatory sinking fund redemption, in part, by lot, on September 1 of each year commencing September 1, 20\_\_, at a redemption price equal to the principal amount of the Term Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amounts and in the years shown in the following redemption schedule:

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
20__	\$ _____
20__	_____
20__	_____
20__	_____
20__ (maturity)	_____

The Term Bonds maturing on September 1, 20\_\_, are subject to mandatory sinking fund redemption, in part, by lot, on September 1 of each year commencing September 1, 20\_\_, at a redemption price equal to the principal amount of the Term Bonds to be redeemed, plus accrued and

unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amounts and in the years shown in the following redemption schedule.

<b>Redemption Date (September 1)</b>	<b>Principal Amount</b>
20__	\$ _____
20__	_____
20__	_____
20__	_____
20__ (maturity)	_____

In the event of a partial optional redemption or extraordinary mandatory redemption of the Term Bonds maturing on September 1, 20\_\_, September 1, 20\_\_ or September 1, 20\_\_ each of the remaining mandatory sinking fund payments for the applicable maturity of the Term Bonds so redeemed will be reduced, as nearly as practicable, on a pro rata basis in integral multiples of \$5,000.

C. Purchase in Lieu of Redemption. In lieu of such an optional, extraordinary mandatory or mandatory sinking fund redemption, the District may elect to purchase such Bonds at public or private sale at such prices as the District may in its discretion determine; provided, that, unless otherwise authorized by law, the purchase price (including brokerage and other charges) thereof shall not exceed the principal amount thereof, plus the applicable premium, if any, stated above, plus accrued interest to the purchase date.

D. Notice and Selection of Bonds for Optional Redemption. In the event the District shall elect to redeem Bonds as provided in Section 4.03A, the District shall give written notice to the Fiscal Agent of its election so to redeem not less than sixty (60) days prior to the redemption date or such lesser number of days as is acceptable to the Fiscal Agent, the principal amount of the Bonds to be redeemed and the maturities from which such Bonds are to be redeemed, and the principal amount of the Bonds to be redeemed from each such maturity.

The notice to the Fiscal Agent shall be given not less than sixty (60) days prior to the redemption date or such shorter period as shall be acceptable to the Fiscal Agent in its sole discretion. If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and, in selecting portions of such Bonds for redemption, the District shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by \$5,000.

## ARTICLE V

### SUPPLEMENTAL AGREEMENTS

**Section 5.01. Amendments or Supplements.** The Legislative Body may, by adoption of a resolution from time to time, and at any time but without notice to or consent of any of the Bondholders, approve a Supplemental Agreement hereto for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement or in any Supplemental Agreement, provided that such action shall not be materially adverse to the interests of the Bondowners;

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

(c) to modify, alter, amend or supplement this Agreement in any other respect which is not materially adverse to the interests of the Bondowners; and

(d) to amend any provision of this Agreement relating to the Code as may be necessary or appropriate to assure compliance with the Code and the exclusion from gross income of the Bondowners of interest on the Bonds.

Exclusive of the Supplemental Agreements hereto provided for in the first paragraph of this Section 5.01, the Owners of not less than 60% in aggregate principal amount of the Bonds then Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Agreements as shall be deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Agreement; provided, however, that nothing herein shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal of, or the payment date of interest on, any Bond, or (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon without the consent of the affected Bondowner(s), or permit, or be construed as permitting, (x) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (y) a reduction in the aggregate principal amount of the Bonds the Owners of which are required to consent to such Supplemental Agreement, or (z) creating of a pledge of or lien or charge upon the Net Special Tax Revenues superior to the pledge provided for in Section 2.02 hereof, without the consent of the Owners of all Bonds then Outstanding.

If at any time the District shall desire to approve a Supplemental Agreement, which pursuant to the terms of this Section 5.01 shall require the consent of the Bondowners, the District shall so notify the Fiscal Agent and shall deliver to the Fiscal Agent a copy of the proposed Supplemental Agreement. The District shall, at the expense of the District, cause notice of the proposed Supplemental Agreement to be mailed, postage prepaid, to all Bondowners at their addresses as they appear in the Registration Books. Such notice shall briefly set forth the nature of the proposed Supplemental Agreement and shall state that a copy thereof is on file at the principal office of the

District for inspection by all Bondowners. The failure of any Bondowner to receive such notice shall not affect the validity of such Supplemental Agreement when consented to and approved as in this Section 5.01 provided. Whenever at any time within one year after the date of the first mailing of such notice, the District shall receive an instrument or instruments purporting to be executed by the Owners of not less than 60% in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Agreement described in such notice, and shall specifically consent to the approval thereof by the Legislative Body substantially in the form of the copy thereof referred to in such Notice as on file with the District, such proposed Supplemental Agreement, when duly approved by the Legislative Body, shall thereafter become a part of the proceedings for the issuance of the Bonds. In determining whether the Owners of 60% of the aggregate principal amount of the Bonds have consented to the approval of any Supplemental Agreement, Bonds which are owned by the District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded and shall be treated as though they were not outstanding for the purpose of any such determination.

Upon the approval of any Supplemental Agreement hereto and the receipt of consent to any such Supplemental Agreement from the Owners of the appropriate aggregate principal amount of Bonds in instances where such consent is required pursuant to the provisions of this Section 5.01, this Agreement shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Agreement of the District and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments. Notwithstanding anything herein to the contrary, no Supplemental Agreement shall be entered into which would modify the duties of the Fiscal Agent hereunder, without the prior written consent of the Fiscal Agent.

## ARTICLE VI

### MISCELLANEOUS CONDITIONS

**Section 6.01. Ownership of Bonds.** The person in whose name any Bond shall be registered in the Registration Books shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal and redemption premium, if any, of any such Bond, and the interest on any such Bond, shall be made only to or upon the order of the registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid.

**Section 6.02. Mutilated, Lost, Destroyed or Stolen Bonds.** If any Bond shall become mutilated, the Fiscal Agent shall authenticate and deliver a new Bond of like tenor, date and maturity in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence is satisfactory to the Fiscal Agent and, if an indemnity satisfactory to the Fiscal Agent shall be given, the Fiscal Agent shall authenticate and deliver a new Bond of like tenor and maturity, numbered and dated as the Fiscal Agent shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. Any Bond issued

under the provisions of this Section 6.02 in lieu of any Bond alleged to have been lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds secured hereby. The Fiscal Agent shall not treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

**Section 6.03. Cancellation of Bonds.** All Bonds paid or redeemed, either at or before maturity, shall be canceled upon the payment or redemption of such Bonds, and shall be delivered to the Fiscal Agent when such payment or redemption is made. All Bonds canceled under any of the provisions of this Agreement shall be destroyed by the Fiscal Agent, which shall execute and provide the District with a certificate of destruction.

**Section 6.04. Covenants.** As long as the Bonds are Outstanding and unpaid, the District shall (through its Legislative Body and officers, agents or employees) faithfully perform and abide by all of the covenants and agreements set forth in this Section 6.04; provided, however, that said covenants do not require the District to expend any funds other than the Net Special Tax Revenues.

A. On or before October 1 of each year, the District will review the public records of the County, in connection with the collection of the Special Taxes to determine the amount of the Special Tax collected in the prior Fiscal Year. If the District determines that any single parcel subject to the Special Tax is delinquent in excess of \$5,000, the District shall, not later than forty five (45) days after such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The District shall cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days after such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent. With respect to aggregate delinquencies throughout the District, if the District determines that it has collected less than 95% of the Special Taxes levied in such Fiscal Year, then the District shall, not later than forty five (45) days after such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the owner of each delinquent parcel (regardless of the amount of such delinquency). The District will cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days after such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent if the aggregate amount collected remains less than 95% of the Special Taxes levied for such Fiscal Year. Notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Fund is at least equal to the Reserve Requirement.

B. The District shall preserve and protect the security of the Bonds and the rights of the Bondowners and defend their rights against all claims and demands of all persons. Until such time as an amount has been set aside sufficient to pay 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 this Agreement or in any Bond issued hereunder.

C. The District will not issue any other obligations payable, principal or interest, from the Special Taxes which have, or purport to have, any lien upon the Net Special Tax Revenues superior to or, except as permitted in the following sentence, on a parity with the lien of the Bonds herein authorized. Nothing in this Agreement shall prevent the District from issuing and selling, pursuant to law, Parity Refunding Obligations so long as the issuance of such Parity Refunding Obligations results in a reduction in each Bond Year on the Annual Debt Service on the Bonds when combined with the Debt Service on Parity Refunding Obligations following the issuance of such Parity Refunding Obligations.

D. The District will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds issued hereunder on the date, at the place and in the manner provided in said Bonds, but only out of Net Special Tax Revenues and such other funds as may be herein provided.

E. The District shall comply with all requirements of the Act so as to assure the timely collection of the Special Taxes in an amount sufficient to pay the Annual Debt Service on the Bonds when due, Administrative Expenses when due and amounts, if any, [to replenish the Reserve Fund to the Reserve Requirement.] Prior to July 1 of each year, the District shall ascertain the parcels on which the Special Taxes are to be levied in the following Fiscal Year, taking into account any subdivisions of parcels during the current Fiscal Year. The District shall effect the levy of the Special Tax in accordance with the Special Tax RMA and the Act each Fiscal Year so that the computation of such levy is complete and transmitted to the Auditor of the County before the final date on which the Auditor of the County will accept the transmission of the Special Tax for the parcels within the District for inclusion on the next real property tax roll. Upon completion of the computation of the amount of the Special Tax levy, the District shall prepare or cause to be prepared, and shall transmit or cause to be transmitted to the Auditor of the County, such data as such Auditor requires to include the levy of the Special Tax on the next real property tax roll.

The District finds and determines that, historically, delinquencies in the payment of special taxes authorized pursuant to the Act in community facilities districts in Southern California have from time to time been at levels requiring the levy of special taxes at the maximum authorized rates in order to make timely payment of principal of and interest on the outstanding indebtedness of such community facilities districts. For this reason, the District has determined that, absent the certification described below, a reduction in the Maximum Special Tax (as such term is defined in the Special Tax RMA) authorized to be levied below the levels provided would interfere with the timely retirement of the Bonds. The District has determined it to be necessary in order to preserve the security for the Bonds to covenant, and, to the maximum extent that the law permits it to do so, the District does covenant, that it shall not initiate proceedings to reduce the Maximum Special Tax rates (as set forth in the Special Tax RMA), unless, in connection therewith, (i) the District receives a certificate from one or more Special Tax Consultants which, when taken together, certify that, on the basis of the parcels of land and improvements existing in the District as of the July 1 preceding the reduction, the Maximum Special Tax which may be levied on all Assessor's Parcels (as such term is defined in the Special Tax RMA) of taxable property on which a completed structure is located in each Fiscal Year will equal at least 110% of the largest sum of the Annual Debt Service on the Bonds to remain Outstanding and the Debt Service on Parity Refunding Obligations outstanding ("Maximum Debt Service") after the reduction is approved and will not reduce the Maximum Special Tax payable from parcels on which a completed structure is located or to be located at



buildout of the District as proposed to less than 110% of the Maximum Debt Service, and (ii) the Legislative Body finds pursuant to this Agreement that any reduction made under such conditions will not adversely affect the interests of the Owners of the Bonds. Any reduction in the Maximum Special Tax approved pursuant to the preceding sentence may be approved without the consent of the Owners of the Bonds.

The District covenants that, in the event that any initiative is adopted by the qualified electors which purports to reduce the Maximum Special Tax below the levels authorized pursuant to the Special Tax RMA or to limit the power or authority of the District to levy Special Taxes pursuant to the Special Tax RMA, the District shall, from funds in the Administrative Expense Fund or otherwise available hereunder, commence and pursue legal action in order to preserve the authority and power of the District to levy Special Taxes pursuant to the Special Tax RMA.

F. The District will at all times keep, or cause to be kept, proper and current books and accounts (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Special Tax Revenues and other funds herein provided for.

G. The District will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the District or take or omit to take any action that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code, or obligations which are “federally guaranteed” within the meaning of Section 149(b) of the Code. The District will not allow five percent (5%) or more of the proceeds of the Bonds to be used in the trade or business of any non-governmental units and will not loan five percent (5%) or more of the proceeds of the Bonds to any non-governmental units.

H. The District covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code. The District will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the District, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code. To that end, the District will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds. In the event that at any time the District is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any monies held under this Agreement or otherwise the District shall so instruct the Fiscal Agent in writing, and the Fiscal Agent shall take such action as may be necessary in accordance with such instructions.

Without limiting the generality of the foregoing, the District agrees that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The District specifically covenants to pay or cause to be paid to the United States of America at the times and in the amounts determined under Section 3.07.

Notwithstanding any provision of this Section, if the District shall obtain an opinion of Bond Counsel to the effect that any action required under this covenant is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the

Bondowners of the interest on the Bonds pursuant to Section 103 of the Code, the Fiscal Agent may rely conclusively on such opinion in complying with the provisions hereof, and the covenant hereunder shall be deemed to be modified to that extent.

I. The District shall not directly or indirectly extend the maturity dates of the Bonds or the time of payment of interest with respect thereto.

J. Not later than October 30 of each year, commencing October 30, 2020, and until October 30 following the final maturity of the Bonds, the District shall supply or cause to be supplied the information, if any, then required by Government Code Section 53359.5 to the California Debt and Investment Advisory Commission.

K. The District covenants that it will not adopt any policy pursuant to Section 53344.1 of the Act permitting tender of Bonds in full payment or partial payment of any Special Taxes unless it first receives a certificate of a Special Tax Consultant that accepting such tender will not result in the District having insufficient Net Special Tax Revenues to pay the principal of and interest on the Bonds when due.

L. The District shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the District under the provisions of this Agreement. The District warrants that upon the date of execution and delivery of the Bonds, the conditions, acts and things required by law and this Agreement to exist, to have happened and to have been performed precedent to and in the execution and delivery of such Bonds do exist, have happened and have been performed and the execution and delivery of the Bonds shall comply in all respects with the applicable laws of the State.

**Section 6.05. Arbitrage Certificate.** On the basis of the facts, estimates and circumstances now in existence and in existence on the date of issue of the Bonds, as determined by the Library District Director, the Library District Director is hereby authorized to certify in the Tax Certificate that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds. Such certification shall be delivered to the initial purchaser of the Bonds together with the Bonds.

**Section 6.06. Defeasance.** If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in the Agreement, then the Owner of such Bond shall cease to be entitled to the pledge of the Net Special Tax Revenues, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond under the Agreement shall thereupon cease, terminate and become void and discharged and satisfied. In the event of the defeasance of all Outstanding Bonds, the Fiscal Agent shall pay over or deliver to the District all money or securities held by it pursuant to the Agreement which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds.

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

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

(b) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds established pursuant to the Agreement (exclusive of the Rebate Fund) and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable; or

(c) by depositing with the Fiscal Agent or an escrow bank appointed by the District, in trust, noncallable Permitted Investments of the type described in subparagraph 1 of the definition thereof, in such amount as an Independent Accountant shall determine (as set forth in a verification report from such Independent Accountant) will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the funds established under the Agreement (exclusive of the Rebate Fund) and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond, as and when the same shall become due and payable;

then, at the election of the District, and notwithstanding that any Outstanding Bonds shall not have been surrendered for payment, all obligations of the District under the Agreement with respect to such Bond shall cease and terminate, except for the obligation of the Fiscal Agent to pay or cause to be paid to the Owners of any such Bond not so surrendered and paid, all sums due thereon and except for the covenants of the District to preserve the exclusion of the interest on the Bonds from gross income for federal income tax purposes. Notice of such election shall be filed with the Fiscal Agent not less than ten (10) days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Fiscal Agent.

In connection with a defeasance under (b) or (c) above, there shall be provided to the District and the Fiscal Agent (i) a report of the Independent Accountant verifying the determination made pursuant to paragraph (b) or (c) above, as applicable (the "Verification Report") stating its opinion as to the sufficiency of the moneys or securities deposited with the Fiscal Agent or the escrow bank, together with the interest to accrue thereon and moneys then on deposit in the funds established under the Agreement (exclusive of the Rebate Fund) and available for such purpose, together with the interest to accrue thereon to pay and discharge the principal of, premium, if any, and interest on all such Bonds to be defeased in accordance with the Agreement as and when the same shall become due and payable, and (ii) an opinion of Bond Counsel (which may rely upon the opinion of the Independent Accountant) to the effect that the Bonds being defeased have been defeased in accordance with the Agreement and are no longer Outstanding. The Verification Report and opinion of Bond Counsel shall be acceptable in form and substance to the District, and addressed to the District.

**Section 6.07. Fiscal Agent.** The District hereby appoints U.S. Bank National Association as Fiscal Agent for the Bonds. The Fiscal Agent is hereby authorized to and shall mail or otherwise provide for the payment of interest payments to the Bondholders, and upon written instruction of the District shall select Bonds for redemption, give notice of redemption of Bonds and maintain the Bond Register. The Fiscal Agent is hereby authorized to pay the principal of and premium, if any, on the Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds presented to it for such purposes, to provide for the cancellation of Bonds all as provided in this Agreement, and to provide for the authentication of Bonds, and shall perform all other duties assigned to or imposed on it as

provided in this Agreement. The Fiscal Agent shall keep accurate records of all Bonds paid and discharged by it.

The District shall from time to time, subject to any agreement between the District and the Fiscal Agent then in force, pay to the Fiscal Agent compensation for its services, reimburse the Fiscal Agent for all its advances and expenditures, including, but not limited to, advances to and fees and expenses of independent accountants or counsel employed by it in the exercise and performance of its powers and duties hereunder, and indemnify and hold the Fiscal Agent, its officers, directors, agents and employees, harmless from and against losses, claims, expenses and liabilities not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties hereunder. Such obligations shall survive the termination or discharge of this Agreement.

The District may at any time at its sole discretion remove the Fiscal Agent initially appointed, and any successor thereto, by delivering to the Fiscal Agent a written notice of its decision to remove the Fiscal Agent and shall appoint a successor or successors thereto, provided that any such successor, other than the Library District Director, shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or State authority. Any removal shall become effective only upon acceptance of appointment by the successor Fiscal Agent or the Library District Director. If any bank or trust company appointed as a successor publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Fiscal Agent may at any time resign by giving written notice to the District and by giving to the Owners notice of such resignation, which notice shall be mailed to the Owners at their addresses appearing in the Registration Books. Upon receiving such notice of resignation, the District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent and appointment of a successor Fiscal Agent shall become effective only upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section 6.07 within forty-five (45) days after the Fiscal Agent shall have given to the District written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent, at the expense of the District, or any Owner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

**Section 6.08. Liability of Fiscal Agent.** The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Agreement or of the Bonds, and shall incur no responsibility in respect thereof, other than in connection with its duties or obligations herein or in the Bonds or in the certificate of authentication on the Bonds. The Fiscal

Agent shall be under no responsibility or duty with respect to the issuance of the Bonds. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Fiscal Agent 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.

The Fiscal Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, bond 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 Fiscal Agent may consult with counsel, who may be counsel to the 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 hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Agreement, the Fiscal Agent 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, in the absence of bad faith on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a written certificate of the District, and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Fiscal Agent shall have no duty or obligation to enforce the collection of funds to be deposited with it hereunder or as to the correctness of any amounts received, and its liability shall be limited to the proper accounting for such funds as it actually receives.

No provision of this Agreement or any other document related hereto shall require the Fiscal Agent to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights hereunder.

The permissive right of the Fiscal Agent to do things enumerated in this Agreement shall not be construed as a duty.

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

The Fiscal Agent shall be responsible for only those duties expressly set forth in this Agreement and no implied duties or obligations shall be read into this Agreement against the Fiscal Agent.

**Section 6.09. Provisions Constitute Contract.** The provisions of this Agreement shall constitute a contract between the District and the Bondowners and the provisions hereof shall be enforceable by any Bondowner for the equal benefit and protection of all Bondowners similarly situated by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State in any court of

competent jurisdiction. Said contract is made under and is to be construed in accordance with the laws of the State.

No remedy conferred hereby upon any Bondowner is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law of the State. No waiver of any default or breach of duty or contract by any Bondowner shall affect any subsequent default or breach of duty or contract or shall impair any rights or remedies on said subsequent default or breach. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed as a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Bondowners may be enforced and exercised as often as may be deemed expedient. In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and should said suit, action or proceeding be abandoned or be determined adversely to the Bondowners then, and in every such case, the District and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

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

**Section 6.10. CUSIP Numbers.** CUSIP identification numbers, if available, will be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and no liability shall hereafter attach to the District or the Fiscal Agent, or any of the officers or agents thereof because of or on account of said numbers.

**Section 6.11. Severability.** If any covenant, agreement or provision, or any portion thereof, contained in this Agreement, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement and the application of any such covenant, agreement or provision, or portion thereof, to any other persons or circumstances, shall be deemed severable and shall not be affected, and this Agreement and the Bonds issued pursuant hereto shall remain valid and the Bondholder shall retain all valid rights and benefits accorded to them under this Agreement and the Constitution and laws of the State. If the provisions relating to the appointment and duties of a Fiscal Agent are held to be unconstitutional, invalid or unenforceable, said duties shall be performed by the Library District Director.

**Section 6.12. Unclaimed Money.** All money which the Fiscal Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Bonds shall be held in trust for the respective owners of such Bonds, but any money which shall be so set aside or deposited by the Fiscal Agent and which shall remain unclaimed by the Owners of such Bonds for a period of one year after the date on which any payment or redemption with respect to such Bonds shall have become due and payable shall be transferred to the District; provided, however, that the Fiscal Agent, before making such payment, shall cause notice to be mailed to the Owners of such Bonds, by first-class mail, postage prepaid, not less than 90 days prior to the date of such payment to the effect that said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be transferred to the District. Thereafter, the Owners of

such Bonds shall look only to the District for payment and then only to the extent of the amount so received without any interest thereon.

**Section 6.13. Nonpresentment of Bonds.** Except as otherwise provided in Section 6.12 hereof, in the event any Bonds shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall be held by the Fiscal Agent for the benefit of the Owners thereof, all liability of the District to the Owners thereof shall forthwith cease and be completely discharged and thereupon it shall be the duty of the Fiscal Agent to hold such funds (subject to Section 6.12 hereof), without liability for interest thereon, for the benefit of the Owners of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on, or with respect to, such Bonds.

**Section 6.14. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Agreement dated as of June 1, 2019 (the “Continuing Disclosure Agreement”). Notwithstanding any other provision of this Agreement, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default (as defined in Section 8.01) under the provisions of this Agreement.

**Section 6.15. Execution of Documents and Proof of Ownership by Owners.** Any request, consent, declaration or other instrument which this Agreement may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such a request, consent, declaration or other instrument, or of a writing appointing such an attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such a notary public or other officer.

Any request, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Fiscal Agent in good faith and in accordance therewith.

**Section 6.16. Notices to and Demands on District and Fiscal Agent.** Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid (first class, registered or certified) in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) as follows:

Altadena Library District  
600 E. Mariposa St.  
Altadena, CA 91001  
Attention: Library District Director

RE: Altadena Library District Community Facilities District No.  
2020-1 (Facilities and Services) 2022 Special Tax Bonds

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being deposited postage prepaid (first class, registered or certified) in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) as follows:

U.S. Bank National Association  
Attn: Global Corporate Trust  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, CA 90071  
Reference: Altadena CFD No. 2020-1

**Section 6.17. Applicable Law.** This Agreement shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State.

**Section 6.18. Payment on Business Day.** In any case where the date of the payment of interest on or of principal (and premium, if any) of the Bonds or the date fixed for redemption is other than a Business Day, the payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required, and no interest shall accrue for the period from and after such date.

**Section 6.19. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

## ARTICLE VII

### BOND FORM

**Section 7.01. Form of Bonds.** The format of the Bonds as authorized and to be issued for these proceedings shall be substantially in the form as set forth in the attached, referenced and incorporated Exhibit A.

**Section 7.02. Temporary Bonds.** Any Bonds issued under this Agreement may be initially issued in temporary form exchangeable for definitive bonds. The Bonds may be issued as one temporary bond with an attached maturity schedule and interest rate schedule to represent all Bonds. The temporary bond may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District and may contain such references to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District in substantially the same manner as provided in Section 2.06 hereof. If the District issues one or more temporary Bonds, it will execute and furnish definitive Bonds without delay upon the request of any Owner and thereupon the temporary bonds may be surrendered for cancellation at the Principal Corporate Trust Office of the Fiscal Agent, and the District shall deliver in exchange for such temporary bonds an equal aggregate principal amount of definitive Bonds of the same interest rates and maturities. Until so exchanged, the temporary bonds shall be entitled to the same benefits under this Agreement as definitive Bonds issued hereunder.



## ARTICLE VIII

### EVENT OF DEFAULT

**Section 8.01. Events of Default.** The following events shall be Events of Default under this Agreement.

(a) Default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise.

(b) Default in the due and punctual payment of interest on any Bond when and as such interest shall become due and payable.

(c) Default by the District in the observance of any of the other covenants, agreements or conditions on its part in this Agreement or in the Bonds contained, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the District by the Fiscal Agent or to the District and the Fiscal Agent by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding; provided that such default (other than a default arising from nonpayment of the Fiscal Agent's fees and expenses, which must be cured within such 30-day period unless waived by the Fiscal Agent) shall not constitute an Event of Default under this Agreement if the District shall commence to cure such default within said thirty (30) day period and thereafter diligently and in good faith shall cure such default within a reasonable period of time; or

(d) The filing by the District of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the District, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

**Section 8.02. Application of Revenues and Other Funds after Default.** If a default in the payment of the Bonds shall occur and be continuing, all Special Tax Revenues and any other funds then held or thereafter received under any of the provisions of this Agreement (other than in the Rebate Fund, the Administrative Expense Fund and the Project Fund) shall be applied as follows and in the following order:

A. To the payment of any expenses necessary in the opinion of the District to protect the interest of the owners of the Bonds, the owners of Parity Refunding Obligations, if any, and payment of reasonable charges and expenses of the Fiscal Agent (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Agreement;

B. To the payment of the principal of and interest then due with respect to the Bonds and Parity Refunding Obligations, if any (upon presentation of the Bonds and Parity Refunding

Obligations 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 Agreement, 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 of 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 discrimination or preference.

*(Signature page follows)*

IN WITNESS WHEREOF, the District and the Fiscal Agent have executed this Fiscal Agent Agreement effective the date first above written.

ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1

By: \_\_\_\_\_  
Nikki Winslow, Library District Director

U.S. BANK NATIONAL ASSOCIATION,  
as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

*-Signature Page-  
Fiscal Agent Agreement*

**EXHIBIT A**

**FORM OF BOND**

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE SECURITIES DEPOSITORY (AS DEFINED IN THE FISCAL AGENT AGREEMENT) TO THE FISCAL AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

R - \_\_\_ \$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA**

**COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
OF THE ALTADENA LIBRARY DISTRICT  
2022 Special Tax Bonds**

**INTEREST RATE**      **MATURITY DATE**      **BOND DATE**      **CUSIP NO.**  
%                      September 1, 20\_\_\_\_      \_\_\_\_\_, \_\_\_\_      \_\_\_\_\_

**Registered Owner: CEDE & CO.**

**Principal Amount:**

Altadena Library Community Facilities District No. 2020-1 (Facilities and Services), situated in Altadena, California, for value received, hereby promises to pay, solely from Net Special Tax Revenues (as hereafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above and to pay interest on such principal amount semiannually on each March 1 and September 1, commencing September 1, \_\_\_\_\_, (each an "Interest Payment Date") at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of and premium, if any, on this Bond are payable to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at maturity or redemption at the corporate trust office or agency of U.S. Bank National Association (the "Fiscal Agent") in St. Paul, Minnesota (or such other office designated by the Fiscal Agent). Interest on this Bond is payable from the Interest Payment Date next preceding the date of its authentication, unless (i) such date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after the 15th calendar day of the

month preceding the Interest Payment Date (the “Record Date”) but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication or (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest shall be payable from the Bond Date above; provided, however, that if at the time of authentication of this Bond, interest is in default, interest on this Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment. Interest on this Bond shall be payable by check of the Fiscal Agent mailed first class, postage prepaid, to the registered owner hereof at such registered owner’s address as it appears on the registration books maintained by the Fiscal Agent as of the close of business on the Record Date preceding the Interest Payment Date or, upon request in writing prior to the Record Date received from a registered owner of at least \$1,000,000 in aggregate principal amount of the Bonds, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner.

This Bond is one of a duly authorized issue of the “Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) 2022 Special Tax Bonds” (the “Bonds”) issued in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311, et seq. of the California Government Code, as amended (the “Act”) for the purpose of financing certain public improvements in and for the District. The creation of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement (the “Agreement”) dated as of \_\_\_\_\_ 1, \_\_\_\_\_, and this reference incorporates the Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. All capitalized terms used herein shall have the same meaning as set forth in the Agreement unless otherwise specified herein. The Agreement is authorized under, this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Agreement, the principal of, premium, if any, and interest on this Bond are payable solely from, and shall be secured by a pledge of and lien upon, the proceeds of the Special Tax (as defined in the Agreement) levied and received by the District and the proceeds of the redemption and sale of property sold as a result of foreclosure of the lien of the Special Tax to the amount of such lien and penalties thereon minus amounts applied annually to fund the Administrative Expense Requirement (together, the “Net Special Tax Revenues”) and certain funds held under the Agreement. The Bonds are not general obligations of the Altadena Library District or the District, but are special, limited obligations of the District, and neither the faith and credit nor the taxing power of the District (except with respect to the Special Taxes), the Library District of Santee, 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 revenues or taxes are pledged to the payment of the Bonds.

On or before October 1 of each year, the District will review the public records of the County, in connection with the collection of the Special Taxes to determine the amount of the Special Tax collected in the prior Fiscal Year. If the District determines that any single parcel subject to the Special Tax is delinquent in excess of \$5,000, the District shall, not later than forty five (45) days after such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The District shall cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days after such determination against any parcel for which a notice of delinquency was given

pursuant to this section and for which the Special Taxes remain delinquent. With respect to aggregate delinquencies throughout the District, if the District determines that it has collected less than 95% of the Special Taxes levied in such Fiscal Year, then the District shall, not later than forty five (45) days after such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the owner of each delinquent parcel (regardless of the amount of such delinquency). The District will cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days after such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent if the aggregate amount collected remains less than 95% of the Special Taxes levied for such Fiscal Year. Notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel [so long as the amount in the Reserve Fund is at least equal to the Reserve Requirement.]

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

<u>Redemption Date</u>	<u>Redemption Price</u>
September 1, 20__ and March 1, 20__	___%
September 1, 20__ and March 1, 20__	___
September 1, 20__ and March 1, 20__	___
September 1, 20__ and any Interest Payment Date thereafter	___

The Term Bonds maturing on September 1, \_\_\_\_ are subject to mandatory sinking fund redemption, in part, by lot, on September 1 of each year commencing September 1, \_\_\_\_ at a redemption price equal to the principal amount of the Term Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amounts and in the years shown in the following redemption schedule.

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
20__	\$ _____
20__	_____
20__ (maturity)	_____

The Term Bonds maturing on September 1, 20\_\_ are subject to mandatory sinking fund redemption, in part, by lot, on September 1 of each year commencing September 1, 20\_\_ at a redemption price equal to the principal amount of the Term Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amounts and in the years shown in the following redemption schedule.

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>
20__	\$ _____
20__	_____

20__	_____
20__	_____
20__ (maturity)	_____

The Term Bonds maturing on September 1, 20\_\_, are subject to mandatory sinking fund redemption, in part, by lot, on September 1 of each year commencing September 1, 20\_\_, at a redemption price equal to the principal amount of the Term Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amounts and in the years shown in the following redemption schedule.

<b>Redemption Date (September 1)</b>	<b>Principal Amount</b>
20__	\$ _____
20__	_____
20__	_____
20__	_____
20__ (maturity)	_____

Notice of redemption with respect to the Bonds to be redeemed shall be given by the Fiscal Agent to the registered owner thereof at least 30 days but not more than 45 days prior to the redemption date, by first class mail, postage prepaid, at their addresses appearing on the Bond Register; provided, however, so long as the Bonds are registered in the name of the Nominee, notice shall be given in such manner as complies with the requirements of the Depository.

This Bond shall be issued only in fully registered form in the denominations of \$5,000 or any integral multiple thereof. No transfer hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment printed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. Interest on this Bond shall be payable to the person whose name appears upon the Registration Books as the registered owner hereof as of the close of business on the Record Date or to such person's order. The Fiscal Agent shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. The Fiscal Agent shall not be required to register, transfer or make exchanges of (i) Bonds for a period of 15 days next preceding the date of any selection of Bonds to be redeemed or (ii) any Bonds chosen for redemption.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon printed shall have been dated and manually signed by the Fiscal Agent.

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

IN WITNESS WHEREOF, Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services), has caused this Bond to be dated \_\_\_\_\_, 2022 and to be

signed by the Board President of the Altadena Library District by his or her manual or facsimile signature and attested by the Board Secretary of the Altadena Library District by his or her manual or facsimile signature.

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Board Secretary of the Altadena Library  
District, for and on behalf of Altadena Library  
District Community Facilities District  
No. 2020-1 (Facilities and Services)

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Board President of the Altadena Library  
District, for and on behalf of Altadena Library  
District Community Facilities District  
No. 2020-1 (Facilities and Services)



**FORM OF CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within defined Agreement.

Dated: \_\_\_\_\_, 20\_\_

U.S. Bank National Association,  
as Fiscal Agent

By: \_\_\_\_\_  
Authorized Officer

**FORM OF ASSIGNMENT**

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

\_\_\_\_\_  
(Name, Address, and Tax Identification or Social Security Number of Assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s), \_\_\_\_\_ attorney, to transfer the same on the books of the Fiscal Agent with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature

Guaranteed: \_\_\_\_\_

NOTICE: Signature must be guaranteed by a qualified guarantor.

\_\_\_\_\_  
NOTICE: The signature on this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever

**EXHIBIT B**

**REQUISITION FOR COSTS OF ISSUANCE**

**REQUISITION NO. \_\_\_\_\_ PERTAINING TO DISBURSEMENTS  
FROM COSTS OF ISSUANCE FUND FOR COSTS OF ISSUANCE**

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting Library District Director of the Altadena Library District and as such is an Authorized Representative of Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (the “District”) within the meaning of the Fiscal Agent Agreement hereinafter defined;

(ii) that, pursuant to Section 3.04 of the Fiscal Agent Agreement, dated as of \_\_\_\_\_ (the “Fiscal Agent Agreement”), by and between U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”) and the District, the undersigned hereby requests the Fiscal Agent to disburse, upon receipt of an invoice or invoices from the payees designated on Attachment A attached hereto and incorporated herein by this reference, from the from the Cost of Issuance Fund established under the Fiscal Agent Agreement to each such payee, amounts not to exceed the respective sum set forth in Attachment A opposite the designation for each such payee;

(iii) that such payments should be made in accordance with the payment instructions contained in such invoices; and

(iv) that the amounts to be disbursed are properly chargeable to the Cost of Issuance Fund.

Date: \_\_\_\_\_

Altadena Library District Community Facilities  
District No. 2020-1 (Facilities and Services)

By: \_\_\_\_\_  
Library District Director

**ATTACHMENT A**  
**COSTS OF ISSUANCE**

<b>Payee</b>	<b>Description of Cost of Issuance</b>	<b>Amount</b>

**EXHIBIT C**

**REQUISITION FOR COSTS**

**REQUISITION NO. \_\_\_ PERTAINING TO DISBURSEMENTS  
FROM THE PROJECT FUND TO FUND PROJECT COSTS**

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting Library District Director of the Altadena Library District and as such is an Authorized Representative of Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (the “District”) within the meaning of the Fiscal Agent Agreement hereinafter defined;

(ii) that, pursuant to Section 3.05 of the Fiscal Agent Agreement, dated as of \_\_\_\_\_, 20\_\_ (the “Fiscal Agent Agreement”), by and between U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”) and the District, the undersigned hereby requests the Fiscal Agent to disburse to the payees designated on Attachment A attached hereto and incorporated herein by this reference, from the Project Fund established under the Fiscal Agent Agreement to each such payee, the respective sum set forth in Attachment A opposite the designation for each such payee;

(iii) that such payments should be made in accordance with the payment instructions contained in Attachment A; and

(iv) that the amounts to be disbursed are properly chargeable to the Project Fund.

Date: \_\_\_\_\_

Altadena Library District Community Facilities  
District No. 2020-1 (Facilities and Services)

By: \_\_\_\_\_  
Library District Director

**ATTACHMENT A**

**PROJECT COSTS**

<b>Payee</b>	<b>Description of Project Costs</b>	<b>Amount</b>

NEW ISSUE — BOOK-ENTRY-ONLY

RATING: S&P: [ ]

(See “CONCLUDING INFORMATION - Rating on the Bonds” herein)

In the opinion of Best Best & Krieger, LLP, San Diego, California (“Bond Counsel”), subject to certain qualifications described in this Official Statement, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income tax. See “TAX MATTERS” herein.

\$ \_\_\_\_\_<sup>\*</sup>  
**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**Dated: Date of Issuance**

**Due: September 1, as shown on inside cover page**

The Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (the “District”) 2022 Special Tax Bonds, (the “Bonds”) are being issued by the District pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53311 et seq. of the California Government Code) (the “Act”), and a Fiscal Agent Agreement dated as of \_\_\_\_\_ 1, 2022 (the “Fiscal Agent Agreement”), by and between the District, and U.S. Bank National Association, as fiscal agent. The Bonds are special obligations of the District and are payable solely from revenues derived from certain annual Special Taxes (as defined herein) to be levied on taxable land within the District (less certain administrative expenses) and from certain other funds pledged under the Fiscal Agent Agreement, all as further described herein. The Special Taxes are to be levied according to the rate and method of apportionment approved by the District and the qualified electors within the District. See “SECURITY FOR THE BONDS — Special Taxes.” The Board of Trustees of the Altadena Library District (the “Library District”) is the legislative body of the District.

The proceeds of the Bonds will be used to (i) finance public improvements authorized to be funded by the District, (ii) fund a reserve fund for the Bonds, (iii) fund capitalized interest on the Bonds through [September 1, 2022], and (iv) pay costs of issuing the Bonds. See “SOURCES AND USES OF BOND PROCEEDS” herein.

Interest on the Bonds is payable on March 1 and September 1 of each year, commencing [March 1, 2022]. Initial purchases of beneficial interests in the Bonds will be made in book-entry form and the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). Bond denominations are \$5,000 and any integral multiple in excess thereof. Purchasers of beneficial interests in the Bonds will not receive certificates representing their interests in the Bonds and will not be paid directly by the Fiscal Agent. See “APPENDIX F — DTC AND THE BOOK-ENTRY SYSTEM.”

The Bonds are subject to [extraordinary,] optional redemption and mandatory sinking fund redemption prior to their stated maturity, as described herein. See “THE BONDS — Redemption of Bonds” herein.

**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE LIBRARY DISTRICT, 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 REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE LIBRARY DISTRICT OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED SPECIAL TAX OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM SPECIAL TAXES TO BE LEVIED IN THE DISTRICT AND CERTAIN AMOUNTS HELD UNDER THE FISCAL AGENT AGREEMENT AS MORE FULLY DESCRIBED HEREIN.**

**Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. The purchase of the Bonds involves significant risks, and the Bonds are not suitable investments for all investors. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.**

This cover page contains certain information for quick reference only. It is not a complete summary of the terms of this Bond issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.

*The Bonds are being offered when, as and if issued and accepted by the Underwriter, subject to the approval as to their legality by Best Best & Krieger LLP, San Diego, California, Bond Counsel, and certain other conditions. Certain matters will be passed upon for Underwriter by Kutak Rock, Los Angeles, California, as counsel to the Underwriter, for the Library District and the District by Best Best & Krieger LLP, Ontario, California, as General Counsel to the Library District and by Best Best & Krieger LLP, San Diego, California, as Disclosure Counsel and for the Fiscal Agent by Dorsey & Whitney LLP, Costa Mesa, California. Delivery of the Bonds through the facilities of DTC is expected to occur on or about \_\_\_\_\_, 2022.*

[HILLTOP LOGO]

Dated: \_\_\_\_\_, 2022.

<sup>\*</sup> Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\$ \_\_\_\_\_\*

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**MATURITY SCHEDULE**

<i><u>Maturity Date</u></i> <i><u>(September 1)</u></i>	<i><u>Principal</u></i> <i><u>Amount</u></i>	<i><u>Interest</u></i> <i><u>Rate</u></i>	<i><u>Yield</u></i>	<i><u>Price</u></i>	<i><u>CUSIP<sup>†</sup> No.</u></i>
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† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the Library District, the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. None of the Library District, the District or the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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\* Preliminary, subject to change.



## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**No Offering May Be Made Except by this Official Statement.** No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

**No Unlawful Offers or Solicitations.** This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

**Effective Date.** This Official Statement speaks only as of its date and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Library or the District since the date of this Official Statement.

**Use of this Official Statement.** This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

**Preparation of this Official Statement.** The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness. All summaries of the Bonds, the Fiscal Agent Agreement and other documents are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Library District for further information. See “INTRODUCTION — Summaries Not Definitive.”

**Stabilization of and Changes to Offering Prices.** The Underwriter may over allot or take other steps that stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

**Bonds are Exempt from Securities Laws Registration.** The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

**Estimates and Projections.** 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” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR. THE DISTRICT MAINTAINS A WEBSITE; HOWEVER, THE INFORMATION PRESENTED THERE IS NOT PART OF THIS OFFICIAL STATEMENT AND SHOULD NOT BE RELIED UPON IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE BONDS.

**ALTADENA LIBRARY DISTRICT  
ALTADENA, CALIFORNIA**

**BOARD OF TRUSTEES  
Serving as the Legislative Body of  
Altadena Library District  
Community Facilities District No. 2020-1  
(Facilities and Services)**

Dr. Katie Clark, President  
Jason Capell, Secretary  
Terry Andruess, Trustee  
Rushmore Cervantes, Trustee  
Kameelah Waheed Wilkerson, Trustee

**STAFF**

Nikki Winslow, Library District Director

**PROFESSIONAL SERVICES**

**BOND AND DISCLOSURE COUNSEL**

Best Best & Krieger LLP  
San Diego, California

**MUNICIPAL ADVISOR**

Urban Futures, Inc.  
Tustin, California

**SPECIAL TAX CONSULTANT AND DISSEMINATION AGENT**

NBS  
Temecula, California

**FISCAL AGENT**

U.S. Bank National Association  
Los Angeles, California

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**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**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 this entire Official Statement, including the cover page and appendices hereto, and the documents summarized or otherwise described herein. A full review should be made of this entire Official Statement and such documents prior to making an investment in the Bonds. The sale and delivery of the Bonds to potential investors is made only by means of the entire Official Statement. Certain capitalized terms used in this Official Statement and not defined herein have the meanings set forth in “APPENDIX A — SUMMARY OF THE FISCAL AGENT AGREEMENT” and in “APPENDIX C — RATE AND METHOD OF APPORTIONMENT FOR ALTADENA LIBRARY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2020-1 FACILITIES AND SERVICES).”

**General**

This Official Statement, including the cover page, the inside front cover page and the appendices hereto, sets forth certain information concerning the issuance by the Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (the “District”) of \$ \_\_\_\_\_\* aggregate principal amount of Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) 2022 Special Tax Bonds (the “Bonds”). The Bonds are being issued by the District, under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53311 et seq. of the California Government Code) (the “Act”), and a Fiscal Agent Agreement, dated as of \_\_\_\_\_ 1, 2022 (the “Fiscal Agent Agreement”), by and between the District, and U.S. Bank National Association, as Fiscal Agent (the “Fiscal Agent”).

**Authority for Issuance**

The District was established by the Board of Trustees (the “Board of Trustees”) of the Altadena Library District (the “Library District”), acting as legislative body of the District, pursuant to proceedings under the Act on August 3, 2020. See “THE DISTRICT — Authorization” herein. The Bonds were authorized to be issued by a resolution adopted by the Board of Trustees, acting as the legislative body of the District, on December 20, 2021 (the “Resolution of Issuance”). The Bonds are being issued pursuant to the Act, the Resolution of Issuance, and the Fiscal Agent Agreement. See “THE BONDS — Authority for Issuance.”

**Application of Proceeds**

The net proceeds of the Bonds will be used to (i) finance public improvements authorized to be funded by the District, (ii) [fund a reserve fund for the Bonds,] (iii) fund capitalized interest on the Bonds through [September 1, 2022], and (iv) pay costs of issuing the Bonds. See “SOURCES AND USES OF BOND PROCEEDS” herein.

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\* Preliminary, subject to change.

## **The Library District**

The Library District became an independent special district in December 1926 under the provision of Sections 19600-19734 of the California Education Code. It now encompasses the approximate 8 square miles of Altadena, an unincorporated area of Los Angeles County (the “County”). The purpose of forming a special library district is to permit residents of unincorporated towns and villages to create for themselves an independent, locally controlled library district supported by property taxes and governed by a locally elected board of library trustees responsive directly to the service needs of the community. The Library District contracted with the County for library services until 1955, when it became independent, providing its own building, collection, personnel, and services for the Library District. The Library District currently provides library services to an estimated population of 43,080 according to the California Department of Finance, Demographic Research Unit’s May 2021 estimate.

## **The District**

The District encompasses the boundaries of the Library District which represents all of the land within Altadena and a very small portion of the City of Pasadena. The property in the District currently contains approximately 13,482 County assessor’s parcels subject to the Special Tax (defined below), of which 90.66% are single family residential property, 7.19% are apartment property and 2.15% are commercial property. See “THE DISTRICT — General” herein.

## **Formation Proceedings**

The District has been formed by the Board of Trustees pursuant to the Act. The Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State of California (the “State”). Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds of a community facilities district and may levy and collect a special tax within such district to repay such indebtedness. The Board of Trustees acts as the legislative body of the District.

Pursuant to the Act, in June 2020, the Board of Trustees adopted the necessary resolutions stating its intent to establish the District, to authorize the levy of special taxes on taxable property within the boundaries of the District, and to incur bonded indebtedness within the District. See “THE DISTRICT — Authorization.” The Bonds are secured by a pledge of and are payable solely from Net Special Tax Revenues (as defined herein) levied on Developed Property within the District. In August 2020, following public hearings conducted pursuant to the provisions of the Act, the Board of Trustees adopted resolutions establishing the District and calling a special election to submit the levy of the Special Taxes and the incurring of bonded indebtedness to the qualified voters residing within the District. On November 3, 2020, at an election held pursuant to the Act, the registered voters of the District, by more than a two-thirds vote, authorized the District to incur bonded indebtedness in the aggregate principal amount not to exceed \$24,000,000 to be secured by the levy of Special Taxes on taxable property within the District. At that same election, the registered voters within the District approved the rate and method of apportionment of the Special Taxes for the District (the “Rate and Method”).

## Property Value

The value of the land within the District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of the Special Taxes levied on its property, there is no requirement for the Authority to commence foreclosure proceedings in an attempt to obtain funds to pay the Special Tax, except in limited circumstances. See “THE DISTRICT — Development Summary and Special Taxes” and “ — Property Assessed Values” for discussion of the development status of property in the District and the assessed value (and value-to-lien ratios) of the taxable property within the District. No appraisal of the taxable property within the District has been undertaken in connection with the issuance of the Bonds.

The aggregate value of the property for Fiscal Year 2021-22, based on County assessed values as of \_\_\_\_\_, 2021, is \$\_\_\_\_\_. See “THE DISTRICT — Property Assessed Values.” Within the District there are other liens and overlapping indebtedness. Total direct and overlapping tax and assessment debt on the property in the District as of \_\_\_\_\_, 2021 is \$\_\_\_\_\_\*, as adjusted to include the par amount of the Bonds. See “THE DISTRICT — Estimated Direct and Overlapping Debt” for a discussion of additional debt secured by liens on the taxable property in the District on a parity with the Bonds. When such overlapping indebtedness is combined with the Bonds, the overall value-to-lien ratio within the District is \_\_\_\_\_\*. See “THE DISTRICT — Development Summary and Special Taxes” and “— Estimated Direct and Overlapping Debt.” The value of individual parcels vary significantly. In addition, County assessed values may not reflect current market values. No independent appraisal of the taxable property subject to the levy of Special Taxes (the “Developed Property”) has been conducted in connection with the Bonds, and no assurance can be given that should Special Taxes levied on one or more of the parcels become delinquent, and should the delinquent parcels be offered for sale at a judicial foreclosure sale, that any bid would be received for the property or, if a bid is received, that such bid would be sufficient to pay such parcel’s delinquent Special Taxes. See SECURITY FOR THE BONDS — No Teeter Plan; Foreclosure Proceedings,” “SPECIAL RISK FACTORS — Property Values” and “— Levy and Collection of the Special Taxes.”

## Security for the Bonds

*Limited Obligations.* The Bonds, including any Parity Refunding Obligations are not general or special obligations of the City nor general obligations of the District, but are special obligations of the District payable solely from Net Special Tax Revenues (as defined herein) and certain amounts held under the Fiscal Agent Agreement as more fully described herein. The interest on and principal of and redemption premiums, if any, on the Bonds are payable solely from the Net Special Tax Revenues, and amounts on deposit in certain funds and accounts under the Fiscal Agent Agreement, including, to the extent necessary, from the moneys on deposit in the [Reserve Fund]. As described herein, the Special Taxes are collected along with *ad valorem* property taxes on the tax bills mailed to property owners by the Office of the Treasurer-Tax Collector of the County. Although the Special Taxes will constitute a lien on the property subject to taxation in the District (the “Taxable Property”), they will not constitute a personal indebtedness of the owners of such property. There is no assurance that such owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if they are financially able to do so. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds.

*Special Tax.* As used in this Official Statement, the terms “Special Tax” and “Special Taxes” means the special taxes levied pursuant to the Act, the Ordinance Levying Special Taxes, the Rate and Method and the Fiscal Agent Agreement on parcels of Taxable Property within the District. See

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\* Preliminary, subject to change.

“SECURITY FOR THE BONDS — Special Taxes.” Under the Fiscal Agent Agreement, the District will pledge to repay the Bonds from the “Net Special Tax Revenues,” which term is defined in the Fiscal Agent Agreement to mean the Special Tax Revenues minus amounts applied annually to fund the Administrative Expense Requirement. The term “Special Tax Revenues” is defined in the Fiscal Agent Agreement as: (a) the proceeds of the Special Tax levied by the District pursuant to the Rate and Method and received by the District, and (b) the Delinquency Proceeds. “Administrative Expense Requirement” is defined in the Fiscal Agent Agreement as an annual amount equal to \$[\_\_\_\_\_], or such lesser amount as may be designated by written instruction from an Authorized Representative of the District to the Fiscal Agent, to be allocated as the first priority of the use of Special Taxes received in any Fiscal Year, and which funds are to be used to pay costs of administration of the District. “Delinquency Proceeds” is defined in the Fiscal Agent Agreement as the amounts collected from the redemption of delinquent Special Taxes including the penalties and interest thereon and from the sale of property sold as a result of the foreclosure of the lien of the Special Tax resulting from the delinquency in the payment of Special Taxes due and payable on such property. See “APPENDIX A — SUMMARY OF THE FISCAL AGENT AGREEMENT.”

The Net Special Tax Revenues are the primary security for the repayment of the Bonds. In the event that the Net Special Tax Revenues are not sufficient to pay the scheduled debt service on the Bonds, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Fiscal Agent in the funds and accounts under the Fiscal Agent Agreement (other than the Project Fund and the Rebate Fund). See “SECURITY FOR THE BONDS—Reserve Fund.”

*Foreclosure Proceeds.* The District will covenant in the Fiscal Agent Agreement on or before October 1 of each year, to review the public records of the County, in connection with the collection of the Special Taxes to determine the amount of the Special Tax collected in the prior Fiscal Year. If the District determines that any single parcel subject to the Special Tax is delinquent in and the amount is greater than \$5,000, the District will, not later than forty five (45) days after such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The District will cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days after such determination against any parcel for which a notice of delinquency was given pursuant to the Fiscal Agent Agreement and for which the Special Taxes remain delinquent. With respect to aggregate delinquencies throughout the District, if the District determines that it has collected less than 95% of the Special Taxes levied in such Fiscal Year, then the District will, not later than forty five (45) days after such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the owner of each delinquent parcel (regardless of the amount of such delinquency). The District will cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days after such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent if the aggregate amount collected remains less than 95% of the Special Taxes levied for such Fiscal Year. Notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Fund is at least equal to the Reserve Requirement.

The District may, but is not in any way obligated to, advance funds from any source of legally available funds in order to maintain the Reserve Fund at the Reserve Requirement or to avoid a default in payment on the Bonds. See “SECURITY FOR THE BONDS— Special Taxes” herein. There is no assurance that any Taxable Property within the District can be sold at foreclosure for a price sufficient to pay delinquent Special Taxes in the event of a default in payment of Special Taxes by the current landowners or future landowners within the District. See “SPECIAL RISK FACTORS—Property Values.”



*Special Taxes Not Within Teeter Plan.* Section 4701 et seq. of the California Revenue and Taxation Code allows a county to adopt a tax distribution procedure which distributes taxes to taxing agencies on the basis of the amount of the tax levy, rather than on the basis of actual tax collections. This mechanism is known as a “Teeter Plan.” The County has not implemented a Teeter Plan. The amount of Special Taxes available to pay debt service on the Bonds will depend on actual tax collections.

### **[Reserve Fund**

The Fiscal Agent Agreement establishes a Reserve Fund as a reserve for the payment of principal of and interest on the Bonds. The Reserve Fund is required to be funded in an amount equal to the least of (i) Maximum Annual Debt Service for the Bonds, (ii) one hundred twenty-five percent (125%) of average Annual Debt Service for the Bonds, or (iii) ten percent (10%) of the original issue price of the Bonds (the “Reserve Requirement”). The Reserve Fund will be available to pay the debt service on the Bonds in the event of a shortfall in the amount in the Debt Service Fund for such purpose. The Reserve Requirement as of the date of issuance of the Bonds will be \$ \_\_\_\_\_. See “SECURITY FOR THE BONDS—Reserve Fund.”]

### **Limited Liability**

Although the unpaid Special Taxes constitute a lien on the Taxable Property within the District, they do not constitute a personal indebtedness of any landowner within the District, or any future property owner of Taxable Property in the District. There is no assurance that the current owners of the Taxable Property within the District, or any future property owners of Taxable Property within the District, will be financially able to pay the Special Taxes or that they will pay the Special Taxes even though financially able to do so. See “SPECIAL RISK FACTORS—Payment of Special Taxes is not a Personal Obligation of the Property Owners.”

The Bonds are payable solely from the proceeds of the Net Special Tax Revenues to be levied annually on the Taxable Property within the District and received by the District and amounts in certain funds established under the Fiscal Agent Agreement. Neither the faith and credit or taxing power of the Library District, the District, the County, the State, or any political subdivision thereof (other than of the District, to the limited extent set forth in the Fiscal Agent Agreement) is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any of the property or revenues of the Library District, and the payment of the interest on or principal of or redemption premiums, if any, on the Bonds is not a general debt, liability or obligation of the Library District or the District.

### **Description of the Bonds**

The Bonds are dated their date of delivery and mature in the amounts and in the years, and bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each March 1 and September 1 each year, beginning [March 1, 2022].

The Bonds will be issued and delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in denominations of \$5,000 or any integral multiple in excess thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred

in accordance with the Fiscal Agent Agreement. See “THE BONDS — Description of the Bonds” and “APPENDIX F — DTC AND THE BOOK-ENTRY SYSTEM” herein.

Principal of, premium, if any, and interest on the Bonds are payable by the Fiscal Agent 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 only 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 Fiscal Agent, all as set forth in the Fiscal Agent Agreement. See “THE BONDS — Description of the Bonds” and “APPENDIX F — DTC AND THE BOOK-ENTRY SYSTEM” herein. *So long as the Bonds are in book-entry only form, all references in the Official Statement to the owners or holders of the Bonds shall mean DTC or its nominee and not the Beneficial Owners of the Bonds.*

The Bonds are subject to optional redemption and mandatory sinking fund redemption as described herein. For more complete descriptions of the Bonds and the Fiscal Agent Agreement, see “THE BONDS” and “APPENDIX A — SUMMARY OF THE FISCAL AGENT AGREEMENT.”

### **Tax Exemption**

In the opinion of Bond Counsel, subject to certain qualifications described in this Official Statement, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income tax. Set forth in APPENDIX B is the form of opinion of Bond Counsel expected to be delivered in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain other tax consequences incident to the ownership of the Bonds, including certain exceptions to the tax treatment of interest, see “TAX MATTERS.”

### **Professionals Involved in the Offering**

U.S. Bank National Association, Los Angeles, California, will act as Fiscal Agent under the Fiscal Agent Agreement. The proceedings of the Board of Trustees in connection with the issuance, sale and delivery of the Bonds are subject to the approval of Best Best & Krieger LLP, San Diego, California, Bond Counsel. Certain legal matters will be passed on for the District and the Library District by Best Best & Krieger LLP, Ontario, California, in its capacity as General Counsel to the Library District and by Best Best & Krieger, LLP, San Diego, California, Disclosure Counsel. Other professional services related to the Bonds have been performed by Urban Futures, Inc., Tustin, California, as the District and the Library District’s Municipal Advisor, and by NBS, Temecula, California, as Special Tax Consultant.

### **Forward-Looking Statements**

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,” “project,” “budget” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption “THE DISTRICT.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

**Summaries Not Definitive**

Brief descriptions of the Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Agreement, the security for the Bonds, the District, the Developed Property in the District and certain other documents and information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. Any references to documents herein are qualified by reference to the complete text thereof. Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings given them in the Fiscal Agent Agreement, some of which are set forth in “APPENDIX A — SUMMARY OF THE FISCAL AGENT AGREEMENT.” Copies of documents referenced herein may be obtained upon written request and payment of the cost of mailing and duplication from the Fiscal Agent in Los Angeles, California.

**SOURCES AND USES OF BOND PROCEEDS**

Under the provisions of the Fiscal Agent Agreement, the Fiscal Agent will receive the proceeds from the sale of the Bonds and will apply them as follows:

Sources of Funds

Principal Amount of Bonds	\$ _____
Plus/Less [Net] Original Issue Premium/Discount	
Underwriter’s Discount	
Total Net Proceeds	\$ _____

Uses of Funds

Costs of Issuance Fund <sup>(1)</sup>	
Project Fund	
[Reserve Fund]	
Total	\$ _____

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<sup>(1)</sup> To be used to pay costs of issuance of the Bonds, including Bond Counsel fees, Disclosure Counsel fees, initial Fiscal Agent fees, Municipal Advisor’s fees, rating fees, Official Statement printing and other costs of issuance.

**PLAN OF FINANCE**

A portion of the proceeds of the Bonds will used to finance certain public improvements at the Altadena Main Library (the “Main Branch”) and the Bob Lucas Memorial Branch Library & Literacy Center (the “Bob Lucas Branch”). Below is a general description of the projects expected to be financed with Bond proceeds.

*Main Branch.* The Main Branch’s distinctive Mid-Century style was designed by noted local architect Boyd Georgi, AIA, and completed in 1967. Since its completion, there have been minimal

changes to the building and site's physical characteristics and Bond proceeds are planned to be used to update the Main Branch for current and future generations.

Planned improvements include the reconfiguration of all interior spaces to improve function and flow. The improvements will include new architectural finishes, plumbing, electrical, technology and mechanical systems as well as accessible restrooms. They will also include the expansion or relocation of an accessible elevator that will stop on all levels of the building.

In addition to interior upgrades to the existing spaces, the project plans to include a series of new exterior activity areas and improvements. These areas include a new exterior makerspace directly adjacent to a similar interior component, a new amphitheater and a reading court. The exterior improvement also include repairs to the iconic bridge that leads from Mariposa Avenue to the main entrance as well as new accessible ramps and walkways.

The project scope will also include health, safety and infrastructure upgrades. The health and safety upgrades include a seismic retrofit, the identification and removal of all hazardous materials, and new fire protection consisting of a fire alarm system and facility wide fire sprinklers. The infrastructure upgrades are planned to include a new electrical service, sewer and plumbing repairs and upgrades, roofing, landscaping and site lighting.

*Bob Lucas Branch.* The Bob Lucas Branch was designed by Robert G. Smith in 1957 and since completion, there have been minimal changes to the building and site's physical characteristics and Bond proceeds are planned to be used to update the Bob Lucas Branch for current and future generations.

Planned improvements include the reconfiguration of all interior spaces to improve function and flow. The improvements will include new finishes, plumbing, electrical, technology and mechanical systems as well as accessible restrooms along with a new fire alarm system and exit signage.

In addition to interior upgrades to all the existing spaces, the project plans to include exterior improvements. The main improvement will be the addition of a new reading court. The reading court will include landscaping, a water feature, shade structures, seating options, as well as storage areas. The exterior scope will also provide storage for gardening equipment as well as a reconfigured trash enclosure. Exterior improvements will include improvements to the parking lot, including lighting, a new monument sign and flagpole, roofing and exterior paint as well as accessibility upgrades and an enhancement to the building entrance off of the parking lot.

## **THE BONDS**

### **Authority for Issuance**

The District was established and bonded indebtedness of the District in an amount not to exceed \$24,000,000 was authorized pursuant to the provisions of the Act. The Bonds will be issued pursuant to the Act, the Resolution of Issuance, and the Fiscal Agent Agreement.

### **Description of the Bonds**

The Bonds are dated their date of delivery (the "Closing Date") and will mature in the amounts and in the years, and bear interest at the rates set forth on the inside cover page of this Official Statement.

The Bonds will be issued without coupons as one fully registered bond for each maturity, in the name of Cede & Co., as nominee for DTC, as registered owner of all the Bonds. The Bonds will be

available to ultimate purchasers in denominations of \$5,000 or any integral multiple thereof under the book-entry system maintained by DTC. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references in this Official Statement to the owners shall mean Cede & Co., and shall not mean the purchasers or Beneficial Owners of the Bonds. See “APPENDIX F — DTC AND THE BOOK-ENTRY SYSTEM.”

Interest on the Bonds will be payable semiannually on September 1 and March 1 of each year, commencing [March 1, 2022] (each, an “Interest Payment Date”) and will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication; (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest will be payable from the date of the Bonds; provided, however, that if at the time of authentication of a Bond, interest is in default, interest on that Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment. As used herein, “Record Date” means the fifteenth calendar day of the month immediately preceding an Interest Payment Date, regardless of whether such day is a Business Day.

Interest on any Bond will be paid to the person whose name appears in the Registration Books maintained by the Fiscal Agent as the Owner of such Bond as of the close of business on the applicable Record Date. Principal of the Bonds due at maturity or upon prior redemption, and any premium due upon redemption, is payable upon presentation and surrender of the Bonds at the principal corporate trust office of the Fiscal Agent in Los Angeles, California.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of \$5,000 and any integral multiple thereof. So long as DTC is the securities depository all payments of principal and interest on the Bonds will be made to DTC and will be paid to the Beneficial Owners in accordance with DTC’s procedures and the procedures of DTC’s Participants. See APPENDIX F — “DTC AND THE BOOK-ENTRY SYSTEM.”

In the event the Bonds are not held in book-entry form, interest on the Bonds will be paid by check of the Fiscal Agent mailed by first class mail, postage prepaid, to the Bondowners at their address on the Registration Books. In addition, upon a request in writing received by the Fiscal Agent on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds, payment will be made by wire transfer in immediately available funds to an account in the United States designated by such Owner.

### **Redemption of Bonds\***

*[Extraordinary Redemption.* The Bonds are subject to redemption in whole or in part, without premium, on any date in the principal amount thereof, together with accrued interest to the date fixed for redemption, upon the transfer of moneys from the Project Fund pursuant to the Fiscal Agent Agreement.]

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\* Preliminary, subject to change.

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

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 1, 20__ and March 1, 20__	%
September 1, 20__ and March 1, 20__	
September 1, 20__ and March 1, 20__	
September 1, 20__ and any Interest Payment Date thereafter	

*Mandatory Sinking Fund Redemption.* The Bonds maturing on September 1, 20\_\_ are term Bonds subject to mandatory sinking fund redemption, in part by lot, on September 1 in each year commencing September 1, 20\_\_ at a redemption price equal to the principal amount of the Term Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amount and in the years shown on the following redemption schedule:

**TERM BONDS MATURING SEPTEMBER 1, 20\_\_**

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payment</u>
20__	\$ _____
20__	
20__ (maturity)	

The Bonds maturing on September 1, 20\_\_ are term Bonds subject to mandatory sinking fund redemption, in part, by lot, on September 1 of each year commencing September 1, 20\_\_, at a redemption price equal to the principal amount of the Term Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amounts and in the years shown in the following redemption schedule:

**TERM BONDS MATURING SEPTEMBER 1, 20\_\_**

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payment</u>
20__	\$ _____
20__	
20__	
20__	
20__ (maturity)	

The Bonds maturing on September 1, 20\_\_, are term Bonds subject to mandatory sinking fund redemption, in part, by lot, on September 1 of each year commencing September 1, 20\_\_, at a redemption price equal to the principal amount of the Term Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amounts and in the years shown in the following redemption schedule:

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payment</u>
20__	\$ _____
20__	
20__	
20__	
20__ (maturity)	

In the event of a partial optional redemption [or extraordinary mandatory redemption] of the Term Bonds maturing on September 1, 20\_\_, September 1, 20\_\_ or September 1, 20\_\_ each of the remaining mandatory sinking fund payments for the applicable maturity of the Term Bonds so redeemed will be reduced, as nearly as practicable, on a pro rata basis in integral multiples of \$5,000.

*Purchase of Bonds.* In lieu of any optional or mandatory sinking fund redemption of the Bonds, the District may elect to purchase such Bonds at public or private sale at such prices as the District may in its discretion determine; provided, that, unless otherwise authorized by law, the purchase price (including brokerage and other charges) thereof shall not exceed the principal amount thereof, plus the applicable premium, if any, stated above, plus accrued interest to the purchase date.

### **Notice of Redemption**

So long as the Bonds are held in book-entry form by the Depository, or its Nominee, notice of redemption will be given to the Depository in such manner as is set forth in the procedures of the Depository, at least sixty (60) days prior to the redemption date. It is the responsibility of DTC Participants to provide such notice. See APPENDIX F — “DTC and the Book-Entry Only System.”

If the Bonds are no longer registered to the Depository, or its Nominee, the Fiscal Agent is required to mail, at least sixty (60) days prior to the date of redemption, notice of redemption, by first-class mail, postage prepaid, to the original purchaser of the Bonds and the respective registered Owners of the Bonds at the addresses appearing on the Registration Books. The notice of redemption shall state: (a) the redemption date; (b) the redemption price; (c) the bond registration numbers, dates of maturity and CUSIP numbers of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part, the respective principal portions to be redeemed; provided, however, that whenever any call includes all Bonds of a maturity, the numbers of the Bonds of such maturity need not be stated; (d) that such Bonds must be surrendered at the principal corporate trust office of the Fiscal Agent; (e) that further interest on such Bonds will not accrue from and after the designated redemption date; (f) the date of the issue of the Bonds as originally issued; (g) the rate of interest borne by each Bond being redeemed; and (h) any other descriptive information needed to identify accurately the Bonds being redeemed as the District shall direct.

Each notice of redemption shall be sent at the same time as the notice of redemption is mailed to the Bondowners, by registered or certified mail or overnight delivery service to the Securities Depository and to at least one of the Information Services that disseminate notice of redemption of obligations similar to the Bonds or, in accordance with the then-current guidelines of the Securities and Exchange Commission, such other services providing information on called bonds, or no such other services, as District may determine in its sole discretion.

Any notice of optional redemption of the Bonds delivered in accordance with the Fiscal Agent Agreement may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice shall be of no force and effect and the District

shall not be required to redeem such Bonds. In such event, the redemption shall not be made and the Fiscal Agent shall within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Debt Service Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

So long as notice of redemption has been provided as set forth in the Fiscal Agent Agreement, the actual receipt by the Owner of any Bond of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for redemption of such Bonds or the cessation of interest on the date fixed for redemption.

### **Effect of Redemption**

When notice of redemption has been given substantially as provided for in the Fiscal Agent Agreement, and when the amount necessary for the redemption of the Bonds called for redemption is set aside for that purpose in the Debt Service Fund or the Redemption Fund, as provided for in the Fiscal Agent Agreement, the Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof, and upon presentation and surrender of said Bonds at the place specified in the notice of redemption, said Bonds shall be redeemed and paid at the redemption price out of the Debt Service Fund or the Redemption Fund and no interest will accrue on such Bonds or portions of Bonds called for redemption from and after the redemption date specified in said notice, and the Owners of such Bonds so called for redemption after such redemption date shall look for the payment of principal and premium, if any, of such Bonds or portions of Bonds only to the Debt Service Fund or the Redemption Fund, as applicable.

All Bonds redeemed shall be canceled forthwith by the Fiscal Agent and shall not be reissued. Upon surrender of Bonds redeemed in part, a new Bond or Bonds of the same maturity shall be registered, authenticated and delivered to the registered Owner at the expense of the District, in the aggregate principal amount of the unredeemed portion. All unpaid interest payable at or prior to the date fixed for redemption shall continue to be payable to the respective Owners of such Bonds or their order, but without interest thereon.

### **Selection of Bonds for Redemption**

If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and, in selecting portions of such Bonds for redemption, the District shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by \$5,000.



**Registration, Transfer and Exchange of Bonds**

The Fiscal Agent will keep sufficient books for the registration and transfer of the Bonds. The ownership of the Bonds will be established by the Bond registration books held by the Fiscal Agent. Upon initial issuance, the ownership of the Bonds will be registered in the name of the nominee of DTC. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, transfers and exchanges of Bonds shall be made in accordance with DTC procedures. See “APPENDIX F — DTC AND THE BOOK-ENTRY SYSTEM.”

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Fiscal Agent or the District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Under such circumstances, in the event that a successor securities depository is not obtained, the Bonds are required to be printed and delivered as described in the Fiscal Agent Agreement, will be subject to certain restrictions on transfer or exchange and will be paid as provided in the Fiscal Agent Agreement.

Whenever any Bond or Bonds are surrendered for registration of transfer or exchange, the Fiscal Agent will authenticate and deliver a new Bond or Bonds of the same maturity, for a like aggregate principal amount of authorized denominations; provided that the Fiscal Agent shall not be required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding the date of any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

**Annual Debt Service of Bonds**

The table below sets forth the scheduled annual debt service payments on the Bonds, assuming no optional redemption of the Bonds, but including mandatory sinking payment redemptions.

<b><u>Year Ending</u></b> <b><u>(September 1)</u></b>	<b><u>Principal</u></b> \$ _____	<b><u>Interest</u></b> \$ _____	<b><u>Total</u></b> \$ _____
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Total	\$ _____	\$ _____	\$ _____
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## SECURITY FOR THE BONDS

### Limited Obligations

The Bonds are special, limited obligations of the District payable only from amounts pledged under the Fiscal Agent Agreement and from no other sources.

In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Fiscal Agent in the funds and accounts established in the Fiscal Agent Agreement (including any investment earnings thereon) with the exception of the Project Fund, the Rebate Fund and the Administrative Expense Fund.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE LIBRARY DISTRICT, 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 REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE LIBRARY DISTRICT OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM SPECIAL TAXES TO BE LEVIED ON TAXABLE PROPERTY IN THE DISTRICT AND CERTAIN OTHER AMOUNTS HELD UNDER THE FISCAL AGENT AGREEMENT AS MORE FULLY DESCRIBED HEREIN.

As used in this Official Statement, the terms “Special Tax” and “Special Taxes” means the special taxes levied pursuant to the Act, the Ordinance Levying Special Taxes, the Rate and Method and the Fiscal Agent Agreement on parcels of Taxable Property within the District. See “SECURITY FOR THE BONDS — Special Taxes.” Under the Fiscal Agent Agreement, the District will pledge to repay the Bonds from the “Net Special Tax Revenues,” which term is defined in the Fiscal Agent Agreement to mean the Special Tax Revenues minus amounts applied annually to fund the Administrative Expense Requirement. The term “Special Tax Revenues” is defined in the Fiscal Agent Agreement as: (a) the proceeds of the Special Tax levied by the District pursuant to the Rate and Method and received by the District, and (b) the Delinquency Proceeds. “Administrative Expense Requirement” is defined in the Fiscal Agent Agreement as an annual amount equal to \$[\_\_\_\_\_], or such lesser amount as may be designated by written instruction from an Authorized Representative of the District to the Fiscal Agent, to be allocated as the first priority of the use of Special Taxes received in any Fiscal Year, and which funds are to be used to pay costs of administration of the District. “Delinquency Proceeds” is defined in the Fiscal Agent Agreement as the amounts collected from the redemption of delinquent Special Taxes including the penalties and interest thereon and from the sale of property sold as a result of the foreclosure of the lien of the Special Tax resulting from the delinquency in the payment of Special Taxes due and payable on such property. See “APPENDIX A — SUMMARY OF THE FISCAL AGENT AGREEMENT.”

The Net Special Tax Revenues are the primary security for the repayment of the Bonds. In the event that the Net Special Tax Revenues are not sufficient to pay the scheduled debt service on the Bonds, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Fiscal Agent in the funds and accounts under the Fiscal Agent Agreement (other than the Project Fund and the Rebate Fund). See “—Reserve Fund” below.

### Special Taxes

*Authorization and Pledge.* In accordance with the provisions of the Act, the Board of Trustees established the District on August 3, 2020, to finance the construction and renovation of public library

facilities located within the District (“Authorized Facilities”). On November 3, 2020, at an election held pursuant to the Act, the registered voters of the District authorized the District to incur bonded indebtedness in the aggregate principal amount not to exceed \$24,000,000 to be secured by the levy of Special Taxes on Taxable Property within the District pursuant to the Rate and Method. A Notice of Special Tax Lien was recorded in the Office of the Recorder of the County of Los Angeles on January 26, 2021 as Document No. 2021-0146320. See “APPENDIX C — RATE AND METHOD OF APPORTIONMENT FOR ALTADENA LIBRARY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2020-1 (FACILITIES AND SERVICES)” for the complete text of the Rate and Method.

As used in this Official Statement, the terms “Special Tax” and “Special Taxes” means the special taxes levied pursuant to the Act, the Ordinance Levying Special Taxes, the Rate and Method and the Fiscal Agent Agreement on parcels of Taxable Property within the District. See “SECURITY FOR THE BONDS — Special Taxes.” Under the Fiscal Agent Agreement, the District will pledge to repay the Bonds from the “Net Special Tax Revenues,” which term is defined in the Fiscal Agent Agreement to mean the Special Tax Revenues minus amounts applied annually to fund the Administrative Expense Requirement. The term “Special Tax Revenues” is defined in the Fiscal Agent Agreement as: (a) the proceeds of the Special Tax levied by the District pursuant to the Rate and Method and received by the District, and (b) the Delinquency Proceeds. “Administrative Expense Requirement” is defined in the Fiscal Agent Agreement as an annual amount equal to \$[\_\_\_\_\_], or such lesser amount as may be designated by written instruction from an Authorized Representative of the District to the Fiscal Agent, to be allocated as the first priority of the use of Special Taxes received in any Fiscal Year, and which funds are to be used to pay costs of administration of the District. “Delinquency Proceeds” is defined in the Fiscal Agent Agreement as the amounts collected from the redemption of delinquent Special Taxes including the penalties and interest thereon and from the sale of property sold as a result of the foreclosure of the lien of the Special Tax resulting from the delinquency in the payment of Special Taxes due and payable on such property. See “APPENDIX A — SUMMARY OF THE FISCAL AGENT AGREEMENT.”

The Net Special Tax Revenues are the primary security for the repayment of the Bonds. In the event that the Net Special Tax Revenues are not sufficient to pay the scheduled debt service on the Bonds, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Fiscal Agent in the funds and accounts under the Fiscal Agent Agreement (other than the Project Fund and the Rebate Fund). See “—Reserve Fund” below.

In the Fiscal Agent Agreement, the District will agree to effect the levy of the Special Taxes in accordance with the Act and the Rate and Method each Fiscal Year so that the computation of the levy is complete and transmitted to the County Auditor-Controller-Treasurer-Tax Collector (the “County Auditor-Controller”) before the final date on which the County Auditor-Controller will accept the transmission of the Special Tax for the parcels within the District for inclusion on the next real property tax roll. Upon the completion of the computation of the amount of the Special Tax levy, the District will prepare or cause to be prepared, and will transmit or cause to be transmitted to the County Auditor-Controller, such data as the County Auditor-Controller requires to include the levy of the Special Tax on the next real property tax roll.

*Collection and Application of Special Taxes.* The Fiscal Agent Agreement provides that, after the District has received Special Tax Revenues in an amount equal to the Administrative Expense Requirement and deposited such Special Tax Revenues in the Administrative Expense Fund, the District shall, no later than the tenth Business Day after which Special Tax Revenues have been received by the District, and in any event not later than February 15th and August 15th of each year, transfer such Special Tax Revenues to the Fiscal Agent. The Fiscal Agent will deposit the Special Tax Revenues received in the Special Tax Fund. The Special Tax Revenues deposited in the Special Tax Fund shall be held in trust

and deposited in the following accounts of the Special Tax Fund or transferred to the following other funds and accounts on the dates and in the amounts set forth in the following paragraphs and in the following order of priority:

(1) The Fiscal Agent shall transfer to the Interest Account of the Debt Service Fund, on each Interest Payment Date, an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest due or becoming due and payable on such Interest Payment Date on all Outstanding Bonds or to be paid on the Bonds being redeemed on such date.

(2) The Fiscal Agent shall transfer to the Principal Account of the Debt Service Fund, on each September 1, an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of, and premium (if any) on, the Bonds coming due and payable on such September 1, whether at maturity or by mandatory sinking fund payments on Term Bonds.

(3) On or after September 2 of each year after making the deposits and transfers required under (1) and (2) above, the Fiscal Agent shall transfer the amount, if any, necessary to replenish the amount then on deposit in the Reserve Fund to an amount equal to the Reserve Requirement.

(4) On or after September 2 of each year after making the deposits and transfers required under (1), (2) and (3) above, upon receipt of written instructions from an Authorized Representative of the District, the Fiscal Agent will transfer from the Special Tax Fund to the Rebate Fund the amount specified in such request.

(5) On or after September 2 of each year after making the deposits and transfers required under (1), (2), (3) and (4) above, upon receipt of a written request of an Authorized Representative of the District, the Fiscal Agent will transfer from the Special Tax Fund to the District for deposit in the Administrative Expense Fund the amounts specified in such request to pay those Administrative Expenses which the District reasonably expects will become due and payable during such Fiscal Year or the cost of which Administrative Expenses have previously been incurred and paid by the District from funds other than the Administrative Expense Fund in excess of the Administrative Expense Requirement for such Fiscal Year.

If, on or after September 2 of each year, after making the deposits and transfers required under (1), (2) (3), (4) and (5) above, monies remain in the Special Tax Fund, such monies shall be transferred to the Project Fund until the Project Fund is closed. See “APPENDIX A — SUMMARY OF THE FISCAL AGENT AGREEMENT.”

Under the Fiscal Agent Agreement, the District covenants not to 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 or referendum measure is proposed that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, the District covenants it 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. See “SPECIAL RISK FACTORS — Voter Initiatives” herein.

The Special Taxes levied in any fiscal year may not exceed the maximum rates authorized pursuant to the Rate and Method. In addition, under no circumstances will the Special Taxes levied in any Fiscal Year against any Assessor’s Parcel of Residential Property as a result of a delinquency in the payment of the Special Tax applicable to any other Assessor’s Parcel be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default. 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 “SPECIAL RISK FACTORS — Levy and Collection of the Special Taxes — Factors that Could Lead to Special Tax Deficiencies.”

### **Parity Bonds**

The Fiscal Agent Agreement allows for the issuance and sale of refunding bonds or other refunding obligations payable from and having a first lien upon the Net Special Tax Revenues on a parity with the lien of the Bonds (referred to herein as “Parity Refunding Obligations”) so long as the issuance of such Parity Refunding Obligations results in a reduction in each Bond Year on the Annual Debt Service on the Bonds when combined with the Debt Service on the Parity Refunding Obligations following the issuance of such Parity Refunding Obligations.

### **[Reserve Fund**

The Fiscal Agent Agreement establishes a debt service reserve fund (the “Reserve Fund”) as a separate fund to be held in trust by the Fiscal Agent for the benefit of the Owners of the Bonds, as a reserve for the payment of principal of, and interest and any premium on, the Bonds and moneys in the Reserve Fund are subject to a lien in favor of the Owners of the Bonds. The Reserve Fund is required by the Fiscal Agent Agreement to be funded in an amount equal to the Reserve Requirement which amount is, as of any date of calculation, an amount equal to the least of (i) Maximum Annual Debt Service for the Bonds, (ii) one hundred twenty-five percent (125%) of Average Annual Debt Service for the Bonds, or (iii) ten percent (10%) of the original issue price of the Bonds. The Reserve Requirement as of the date of issuance of the Bonds will be \$[\_\_\_\_\_].

Moneys on deposit in the Reserve Fund will be used solely for the purpose of paying the principal of and interest on the Bonds as such amounts shall become due and payable in the event that the moneys in the Special Tax Fund and the Debt Service Fund for such purpose are insufficient therefor or for redeeming Bonds as described below. The Fiscal Agent is directed by the Fiscal Agent Agreement to, when and to the extent necessary, withdraw money from the Reserve Fund and transfer such money to the Debt Service Fund or the Redemption Fund for such purpose.

On any date after the transfers required by the Fiscal Agent Agreement to the Interest Account and the Principal Account of the Debt Service Fund have been made for any Bond Year, if the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the Fiscal Agent will transfer to the Reserve Fund from the first available monies in the Special Tax Fund an amount necessary to increase the balance therein to the Reserve Requirement. If on September 1 of each year following the payment of scheduled debt service on the Bonds due and payable on such date, or the first Business Day thereafter if September 1 is not a Business Day, the amount on deposit in the Reserve Fund is in excess of the Reserve Requirement, the Fiscal Agent will transfer such excess to the Special Tax Fund. In connection with any optional redemption of Bonds or a partial defeasance of Bonds, amounts in the Reserve Fund may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Fund following such redemption or partial defeasance equals the Reserve Requirement.

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 Fiscal Agent will transfer the amount in the Reserve Fund to the Redemption Fund to be applied, on the next succeeding Interest Payment Date, to the payment and redemption, in accordance with the optional redemption provisions of the Fiscal Agent Agreement of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Redemption Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve

Fund shall be transferred to the District to be used for any lawful purpose of the District as set forth in the Act.]

### **Investment of Funds**

Except as otherwise provided in the Fiscal Agent Agreement, all moneys in any of the funds or accounts established pursuant to the Fiscal Agent Agreement will be invested by the Fiscal Agent solely in Permitted Investments, as directed by the District. See “APPENDIX A — SUMMARY OF THE FISCAL AGENT AGREEMENT” for a description of the Permitted Investments.

### **No Teeter Plan; Foreclosure Proceedings**

*No Teeter Plan.* Section 4701 et seq. of the California Revenue and Taxation Code allows a county to adopt a tax distribution procedure which distributes taxes to taxing agencies on the basis of the amount of the tax levy, rather than on the basis of actual tax collections. This mechanism is known as a “Teeter Plan.” The County has not implemented a Teeter Plan. The amount of Special Taxes available to pay debt service on the Bonds will depend on actual tax collections. Delinquencies in the payment of Special Taxes could have an adverse effect on the District’s ability to make timely debt service payments.

*District Foreclosure Covenant.* Pursuant to the Act, in the event of any delinquency in the payment of the Special Tax on a taxed parcel, the District may order the institution of a superior court action to foreclose the lien on the taxed parcel within specified time limits. In such an action, the real property subject to the unpaid amount of the Special Tax lien may be sold at judicial foreclosure sale. Judicial foreclosure proceedings in the event of delinquent Special Taxes are not mandatory. However, the District will covenant in the Fiscal Agent Agreement on or before October 1 of each year, to review the public records of the County, in connection with the collection of the Special Taxes to determine the amount of the Special Tax collected in the prior Fiscal Year. If the District determines that any single parcel subject to the Special Tax is delinquent in [and amount greater than \$5,000, the District will, not later than forty five (45) days after such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner. The District will cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days after such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent. With respect to aggregate delinquencies throughout the District, if the District determines that it has collected less than 95% of the Special Taxes levied in such Fiscal Year, then the District will, not later than forty five (45) days after such determination, send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the owner of each delinquent parcel (regardless of the amount of such delinquency). The District will cause judicial foreclosure proceedings to be commenced and filed in the Superior Court not later than ninety (90) days after such determination against any parcel for which a notice of delinquency was given pursuant to this section and for which the Special Taxes remain delinquent if the aggregate amount collected remains less than 95% of the Special Taxes levied for such Fiscal Year. Notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel [so long as the amount in the Reserve Fund is at least equal to the Reserve Requirement.] Any actions to enforce delinquent Special Tax liens shall only be taken consistent with Sections 53356.1 through 53356.7, both inclusive, of the Act.

*Sufficient of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays.* No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay all delinquent Special Tax installments. Subject to the Maximum Special Tax rates, the Rate and Method is designed to generate from all Taxable Property within the District the current year’s debt service on the Bonds, administrative expenses of the District, [and

replenishment of the Reserve Fund to the Reserve Requirement. However, if foreclosure proceedings are necessary, and the Reserve Fund has been depleted, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the District of the proceeds of the foreclosure sale. See “SPECIAL RISK FACTORS—Bankruptcy Delays” and “—Proceeds of Foreclosure Sales.”] Moreover, under no circumstances will the Special Taxes levied in any Fiscal Year against any Assessor’s Parcel of Residential Property as a result of a delinquency in the payment of the Special Tax applicable to any other Assessor’s Parcel be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default.

The ability of the District to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the obligee in the event the property is owned by or in receivership of the Federal Deposit Insurance Corporation. See “SPECIAL RISK FACTORS—FDIC/Federal Government Interests in Properties.”

No assurance can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. If a judgment of foreclosure and order of sale is obtained, the judgment creditor (the District) must cause a Notice of Levy to be issued. Under current law, a judgment debtor (property owner) has 120 days from the date of service of the Notice of Levy in which to redeem the property to be sold, which period may be shortened to 20 days for parcels other than those on which a dwelling unit for not more than four persons is located. If a judgment debtor fails to redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such an action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made (Section 701.680 of the California Code of Civil Procedure). The constitutionality of the aforementioned legislation, which repeals the former one-year redemption period, has not been tested; and there can be no assurance that, if tested, such legislation will be upheld.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Law be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.5 of the Law, the District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a “credit bid,” where the District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the District becomes the purchaser under a credit bid, the District must pay the amount of its credit bid into the Debt Service Fund under the Fiscal Agent Agreement, but this payment may be made up to 24 months after the date of the foreclosure sale. Neither the Act nor the Fiscal Agent Agreement requires the District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale, and the District has no intent to be such a purchaser.

## **THE DISTRICT**

### **General**

*The Library District.* The Library District became an independent special district in December 1926 under the provision of Sections 19600-19734 of the California Education Code. It now encompasses the approximate 8 square miles of Altadena, an unincorporated area of the County. The purpose of forming a special library district is to permit residents of unincorporated towns and villages to create for themselves an independent, locally controlled library district supported by property taxes and governed by a locally elected board of library trustees responsive directly to the service needs of the community. The Library District contracted with the County for library services until 1955, when it became independent,

providing its own building, collection, personnel, and services for the Library District. The Library District currently provides library services to an estimated population of 43,080 according to the California Department of Finance, Demographic Research Unit's May 2021 estimate.

*The District.* The District encompasses the boundaries of the Library District which represents all of the land within Altadena and a very small portion of the City of Pasadena. The property in the District currently contains approximately 13,482 County assessor's parcels subject to the Special Tax, of which 90.66% are single family residential property, 7.19% are apartment property and 2.15% are commercial property. See "THE DISTRICT - General" herein.

## **Authorization**

The Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness. The District was formed by the Library District pursuant to the Act. The District constitutes a governmental entity separate and apart from the Library District.

Pursuant to the Act, on June 22, 2020, the Board adopted Resolution No. 2020-05 (the "Resolution of Intention"), stating its intention to form the District and to authorize the levy of a special tax on the taxable property within the District. On June 22, 2020, the Board also adopted Resolution No. 2020-06, stating its intention to incur bonded indebtedness in an aggregate principal amount not to exceed \$24,000,000, for the purpose of financing the acquisition, construction, expansion, improvement, or rehabilitation of certain public facilities to serve the District. See "PLAN OF FINANCE" herein and "— Description of Authorized Facilities" below.

Subsequent to noticed public hearings, the Board adopted Resolution No. 2020-07 on July 27, 2020 amending the Resolution of Intention to amend the Rate and Method to increase the aggregate total of exemptions for very low-income property. The Board adopted Resolution Nos. 2020-08, 2020-09, 2020-10 and 2020-11 on August 3, 2020 (the "Resolution of Formation," the "Resolution to Incur Debt," the "Resolution Calling the Election," and the "Resolution Requesting Consolidation," respectively) which established the District, authorized the levy of a special tax within the District, determined the necessity to incur bonded indebtedness within the District, called an election within the District on a combined measure with respect to the levy of special taxes on land within the District, incurring a bonded indebtedness and establishing an appropriations limit for the District and requested that the Board of Supervisors of the County consolidate the election for the District with the statewide general election.

On November 3, 2020, an election was held within District at which the approximately 72.35% of votes cast by registered voters in the District voted in favor of Measure Z, which read as follows:

"Shall the measure to keep local Altadena libraries clean, safe, well maintained; improve access for seniors/people with disabilities; replace leaky roofs; remove hazardous materials; continue literacy programs; by authorizing Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) to levy \$0.10/square foot for single-family residences annually, with different rates for other property types, raising approximately \$2,600,000 annually until ended by voters; bond



issuance/appropriation limit of \$24,000,000; requiring oversight/audits, low-income exemptions, and all funds staying local be adopted?"

On December 14, 2020, the Board adopted Resolution No. 2020-12 which declared the results of the election and Ordinance No. 2020-01 which authorized the levy of the Special Tax in the District pursuant to the Rate and Method. A Notice of Special Tax Lien for the District was recorded in the office of the County Recorder of the County on January 26, 2021 as Document No. 2021-0146320.

### **Description of Authorized Facilities**

The facilities eligible to be financed with the proceeds of the bonds to be issued by the District consist of the expansion, improvement, or rehabilitation of any real or other tangible property with an estimated useful life of five or more years or longer undertaken by the Library District with respect to the Library District's Main Library and the Bob Lucas Memorial Branch & Literacy Center, including all direct or indirect costs and expenses relating thereto. See "PLAN OF FINANCE" for a more detailed description of the expected facilities to be financed with proceeds of the Bonds.

In addition, costs eligible to be financed include all costs and expenses incidental to the authorized facilities authorized by the Act that are determined by the Library District to be associated with the authorized facilities, the formation and ongoing administration of the District, the election, bonding or levy and collection of the Special Taxes, as well as all other costs incurred to carry out the authorized purposes of the District that are permitted by the Act. The costs of the Authorized Facilities in excess of available proceeds from the sale of the Bonds are expected to be paid for by the Library District.

### **Rate and Method of Apportionment**

The District is legally authorized and has covenanted in the Fiscal Agent Agreement to levy the Special Taxes in accordance with the Rate and Method. Pursuant to the Rate and Method, Special Taxes are levied only on Taxable Property up to the applicable Maximum Special Tax (as defined in the Rate and Method). In accordance with the Rate and Method, Special Taxes are only levied on Taxable Property. Generally, only Developed Property is Taxable Property under the Rate and Method.

"Developed Property", as defined in the Rate and Method, means all Taxable Property, exclusive of Taxable Contingent Property, for which the County has assigned a Use Code indicating residential or non-residential use and which are not vacant.

No Special Tax will be levied on "Public Property," "Property Owner Association Property," "Undeveloped Property," (as such terms are defined in the Rate and Method) or any other property which would not normally receive a property tax bill from the County due to the very-low or zero assessed value of such property. No Special Tax will be levied on "Very Low-Income Property" (as such term is defined in the Rate and Method) up to a total of \$187,000 (stated in Fiscal Year 2021-22 dollars and increasing by 2% each July 1 thereafter). If the total Special Tax on all Very Low-Income Property exceeds \$187,000 (stated in Fiscal Year 2021-22 dollars, and increasing by 2% each July 1 thereafter), the CFD Administrator shall proportionately reduce the amount of the discount from 100% to each Assessor's Parcel of Very Low-Income Property until the aggregate discount equals \$187,000 (stated in Fiscal Year 2021-22 dollars and increasing by 2% each July 1 thereafter). The Board may elect to allow the aggregate total exemptions related to Very Low-Income Property to exceed \$187,000 (stated in Fiscal Year 2021-22 dollars and increasing by 2% each July 1 thereafter) beginning in the Transition Year (as such term is defined in the Rate and Method) and any subsequent Fiscal Year or if funds from another source are made available to the District by the Library District or other party to fund additional exemptions. However, should an Assessor's Parcel no longer be classified as Public Property, Property Owner Association

Property, Undeveloped Property, Very Low-Income Property, or any other property which would not normally receive a property tax bill from the County due to the very-low or zero assessed value of such property, its tax-exempt status will be revoked. In the case of Public Property and pursuant to Section 53317.3 of the Act, if property not otherwise exempt from the Special Tax levied pursuant to the Act is acquired by a public entity through a negotiated transaction, or by gift or devise, the special tax shall, notwithstanding Section 53340, continue to be levied on the property acquired and shall be enforceable against the public entity that acquired the property.

“Taxable Contingent Property” (as defined in the Rate and Method) shall be subject to the levy of the Special Tax, assigned to a Property Type in accordance with the use of the property, and shall be taxed Proportionately pursuant to the Rate and Method, at up to 100% of the applicable Maximum Special Tax.

As may be required pursuant to the Act, Welfare Exempt Property may be classified as Exempt Property or may be reimbursed for Special Tax levied and paid. In order to receive reimbursement, the property owner must provide documentation of the exemption to the CFD Administrator within one calendar year after having paid the Special Taxes for which an exemption has been granted. A refund of the amount of Special Taxes paid for the Fiscal Year the exemption has been granted will be provided to the property owner of Welfare Exempt Property who was granted the exemption.

It is the County’s policy not to generate tax bills when a parcel has an assessed value of less than \$100 (“Low Value Parcels”). Currently 208 parcels would be considered Low Value Parcels and exempt from the Special Tax under the Rate and Method.

The Maximum Special Tax rates for Developed Property for Fiscal Year 2021-22 are shown in the table below.

**MAXIMUM SPECIAL TAX FOR  
DEVELOPED PROPERTY IN CFD NO. 2020-1**

<u>Property Type</u>	<u>Per</u>	<u>Maximum Special Tax</u>
Single Family Residential	Building Square Foot	\$0.10
Apartment	Unit	115.24
Commercial – Less than 10,000 Square Feet	Assessor’s Parcel	340.92
Commercial – Greater than 10,000 Square Feet	Assessor’s Parcel	460.97

On each July 1, commencing on July 1, 2022, the Maximum Special Tax for Developed Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

**Development Summary and Special Taxes**

Table No. 1 summarizes the Developed Property within the District by property type under the Rate and Method along with the Fiscal Year 2021-22 Maximum Special Tax. Table No. 2 summarizes the Taxable Property within the District by property type under the Rate and Method, together with the Fiscal Year 2021-22 Maximum Special Tax, and an allocation of the Bond debt based on the Fiscal Year 2021-22 Maximum Special Tax and the County Fiscal Year 2021-22 assessed value of the Taxable Property.

The following table includes Exempt Property under the Rate and Method. These parcels are not subject to Special Taxes unless and until classified as Developed Property. The District makes no representation as to if, or when, any such properties will be developed and subject to the Special Tax.

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**TABLE NO. 1  
SHARE OF SPECIAL TAXES BY PROPERTY TYPE**

<u>Property Type</u> <sup>(1)</sup>	<u>Fiscal Year 2021-22 Number of Parcels</u> <sup>(2)</sup>	<u>Fiscal Year 2021-22 Building Square Footage</u> <sup>(2)</sup>	<u>Fiscal Year 2021-22 Units</u> <sup>(2)</sup>	<u>Fiscal Year 2021-22 Maximum Special Tax</u> <sup>(3)</sup>	<u>% of Fiscal Year 2021-22 Maximum Special Tax</u>
Single Family Residential Property	12,223	21,078,952	-	\$2,107,895	82.20%
Apartment Property	969	-	3,064	353,095	13.77
Commercial Property - Less than 10,000 Square Feet	253	-	-	86,253	3.36
Commercial Property - Greater than 10,000 Square Feet	37	-	-	17,056	0.67
Exempt Property	791	-	-	-	0.00
<b>Totals</b>	<b>14,273</b>	<b>21,078,952</b>	<b>3,064</b>	<b>\$2,564,299</b>	<b>100.00%</b>

<sup>(1)</sup> Assigned by the CFD Administrator according to the Rate and Method using County Assessor’s secured roll data for Fiscal Year 2021-22, as of July 2021.

<sup>(2)</sup> The special tax is levied per building square foot for Single Family Residential Property, per unit for Apartment Property, and per parcel for Commercial Property.

<sup>(3)</sup> Does not account for up to \$187,000 in special tax exemptions on Very Low-Income Property.

Source: NBS.

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**TABLE NO. 2  
SHARE OF DISTRICT BONDS BY PROPERTY TYPE**

<u>Property Type</u> <sup>(1)</sup>	<u>Fiscal Year 2021-22 Maximum Special Tax</u> <sup>(2)</sup>	<u>Share of Bonds</u>	<u>Fiscal Year 2021-22 Assessed Value</u>
Single Family Residential Property	\$2,107,895	82.20%	\$6,519,677,406
Apartment Property	353,095	13.77	523,662,831
Commercial Property - Less than 10,000 Square Feet	86,253	3.36	139,617,974
Commercial Property - Greater than 10,000 Square Feet	17,056	0.67	140,521,948
Exempt Property	-	0.00	214,795,396
<b>Totals</b>	<b>\$2,564,299</b>	<b>100.00%</b>	<b>\$7,538,275,555</b>

<sup>(1)</sup> Assigned by the CFD Administrator according to the Rate and Method using County Assessor's secured roll data for Fiscal Year 2021-22, as of July 2021.

<sup>(2)</sup> Does not account for up to \$187,000 in special tax exemptions on Very Low-Income Property.  
Source: NBS.

**Special Taxes are Not Within Teeter Plan**

The Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (known as the Teeter Plan), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code, has not been implemented by the County. The collection of Special Taxes is therefore subject to the risk of delinquency, while the District is also entitled to collect penalties and interest on delinquent Special Taxes.

The Special Tax has not yet been levied in the District, a 10-year history of the County-wide collections in the payment of ordinary *ad valorem* secured property taxes is as follows to provide information about collections generally in the County:

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**TABLE NO. 3  
DIRECT AND OVERLAPPING DEBT SUMMARY**

<u>Fiscal Year</u>	<u>Collections</u> <sup>(1)</sup>	<u>Fiscal Year</u>	<u>Collections</u> <sup>(1)</sup>
2010-11	97.6%	2015-16	98.6%
2011-12	97.9	2016-17	98.8
2012-13	98.2	2017-18	98.7
2013-14	98.4	2018-19	98.6
2014-15	98.4	2019-20	97.6

<sup>(1)</sup> Collections within fiscal year of levy.

Source: County of Los Angeles Comprehensive Annual Financial Report Fiscal Year 2019-20.

## Estimated Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc., as of August 6, 2021 for property in the District. The Debt Report is included for general information purposes only and the District makes no representation as to its accuracy or completeness.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations are not payable from Special Taxes nor are they necessarily obligations secured by a lien on the property within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Presently, property within the District is subject to \$83,240,767\* of direct and overlapping tax and assessment debt, including the Bonds being issued. To repay the direct and overlapping tax and assessment debt, the owners of the land within the District must pay the Special Taxes, any fixed assessments as applicable, and the general *ad valorem* property tax levy.

In addition, other public agencies whose boundaries overlap those of the District could, without the consent of the District, and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the real property within the District in order to finance public improvements or services to be located or furnished inside of or outside of the District. The lien created on the real property within the District through the levy of such additional taxes or assessments may be on a parity with the lien of the Special Taxes. The imposition of additional liens on a parity with the Special Taxes may reduce the ability or willingness of the property owners to pay the Special Taxes and increases the possibility that foreclosure proceeds, if any, realized from the sale of property with delinquent Special Taxes will not be adequate to pay delinquent Special Taxes.

In Fiscal Year 2021-22 assessment liens for Property Assessed Clean Energy (“PACE”) financings existed against approximately [174] parcels within the District. The total Fiscal Year 2021-22 PACE assessment levy on these approximately [174] parcels was approximately [\$783,619.06]. The overlapping debt information in this Official Statement does not include these PACE liens, or any additional PACE liens that may have arisen since such date. The PACE financing program was developed to assist homeowners in obtaining funds for solar panels improvements, energy efficient windows and doors, high efficiency heating, ventilation and air conditioning systems, cool roofs and artificial turf and similar energy efficiency projects authorized thereunder.

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\* Preliminary, subject to change.

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**TABLE NO. 4  
DIRECT AND OVERLAPPING DEBT SUMMARY**

Fiscal Year 2020-21 Assessed Valuation: \$7,538,275,555 Land and Improvements

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 8/1/21</u>
Metropolitan Water District	0.216%	\$58,054
Pasadena Area Community College District	7.184	4,214,578
Pasadena Unified School District	15.074	50,488,135
Los Angeles County Community Facilities District No. 7	100.	4,175,000
Los Angeles County Improvement District No. 2661	100.	305,000
<b>Altadena Library District Community Facilities District No. 2020-1</b>	<b>100.</b>	<b><u>24,000,000</u></b>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$83,240,767</b>
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations	0.415%	\$10,759,574
Los Angeles County Superintendent of Schools Certificates of Participation	0.415	16,502
Pasadena Area Community College District Certificates of Participation	7.184	2,067,956
Pasadena Unified School District Qualified Zone Academy Bonds	15.074	50,247
Los Angeles County Sanitation District No. 17 Authority	98.286	<u>201,374</u>
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b>\$13,095,653</b>
<b>COMBINED TOTAL DEBT</b>		<b>\$96,336,420<sup>(1)</sup></b>

<sup>(1)</sup> Excludes issue to be sold.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to Fiscal Year 2020-21 Assessed Valuation:

<b>[Direct Debt (\$24,000,000).....</b>	<b>0.32%</b>
Total Direct and Overlapping Tax and Assessment Debt.....	1.10%
Combined Total Debt.....	1.28%]

Source: California Municipal Statistics; NBS.

The District has no control over the amount of additional debt payable from special taxes or assessments levied on all or a portion of the property within the District that may be incurred in the future by other governmental agencies having jurisdiction over such property. Furthermore, nothing prevents owners of property within the District from consenting to the issuance of such debt by other governmental agencies. To the extent that such indebtedness is payable from assessments, special taxes levied pursuant to the Act, or other taxes, such assessments, special taxes, and other taxes may be secured by liens on the property within the District on a parity with the lien of the Special Taxes.

The incurrence of any such additional indebtedness could cause the total debt on property within the District to increase without any corresponding increase in the value of such property, thereby reducing (perhaps dramatically) the estimated value-to-lien ratios that exist at the time the Bonds are issued. The incurrence of such additional indebtedness could reduce the willingness and ability of the property owners

within the District to pay Special Taxes when due. See “SPECIAL RISK FACTORS — Other Possible Claims Upon the Property Values.”

### **Property Assessed Values**

The most recent assessed value reported by the County Assessor for the Taxable Property in the District was as of January 1, 2021, for the Fiscal Year 2021-22 tax roll, \$7,538,275,555 . The assessed values of Taxable Property in the District discussed in this Official Statement are from that County Assessor’s secured property tax roll and have not been adjusted for any changes as a result of assessment appeals, corrections, change of ownership or any other changes. These assessed values represent the “full cash value” of such property as determined by the County Assessor. Pursuant to rules of the State Board of Equalization that govern the County Assessor’s valuation of property in the District, “full cash value” of real property means the price at which the unencumbered or unrestricted fee simple interest in the real property (subject to any enforceable governmental restrictions) would transfer for cash or its equivalent under prevailing market conditions. These rules also provide that when valuing property as a result of a change in ownership for consideration it shall be rebuttably presumed that the consideration valued in money (i.e., the purchase price), whether paid in money or otherwise, is the full cash value of the property. Pursuant to the California Constitution, the full cash value of property may reflect from year to year the inflationary rate not to exceed 2% for any given year or reduction as shown in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced to reflect substantial damage, destruction or other factors causing a decline in value.

No assurance can be given, therefore, that the assessed value of the Taxable Property in the District will not be reduced by the County Assessor for Fiscal Year 2022-23 or for any subsequent fiscal year. See “SPECIAL RISK FACTORS — Property Values.”

Assessed values, as determined by the County Assessor, may not reflect the actual market value of property in the District (e.g., homes in the District might sell for more or less than the County Assessor’s assessed value). The District does not intend to have an appraisal prepared to estimate the market value of any of the Taxable Property in the District.

Table No. 5 shows assessed valuations for all property in the District for Fiscal Years 2017-18 through 2021-22.

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**TABLE NO. 5  
HISTORICAL AND CURRENT ASSESSED VALUATION<sup>(1)</sup>**

<u>Fiscal Year</u>	<u>Land Value</u>	<u>Structure Value</u>	<u>Total Value</u>
2017-18 <sup>(2)</sup>	\$3,907,899,157	\$2,159,544,991	\$6,067,444,148
2018-19 <sup>(3)</sup>	4,176,502,760	2,341,932,705	6,518,435,465
2019-20 <sup>(4)</sup>	4,445,327,150	2,442,049,052	6,887,376,202
2020-21 <sup>(5)</sup>	4,690,337,073	2,555,206,180	7,245,543,253
2021-22 <sup>(6)</sup>	4,894,222,077	2,644,053,478	7,538,275,555

<sup>(1)</sup> Includes all property within the boundary of the CFD, including Exempt Property.  
<sup>(2)</sup> Per County Assessor’s secured roll data for Fiscal Year 2017-18, with a January 1, 2017, valuation date. Assessed value does not reflect any changes made to valuation after July 2017 as a result of assessment appeal, correction or any other changes.  
<sup>(3)</sup> Per County Assessor’s secured roll data for Fiscal Year 2018-19, with a January 1, 2018, valuation date. Assessed value does not reflect any changes made to valuation after July 2018 as a result of assessment appeal, correction or any other changes.  
<sup>(4)</sup> Per County Assessor’s secured roll data for Fiscal Year 2019-20, with a January 1, 2019, valuation date. Assessed value does not reflect any changes made to valuation after July 2019 as a result of assessment appeal, correction or any other changes.  
<sup>(5)</sup> Per County Assessor’s secured roll data for Fiscal Year 2020-21, with a January 1, 2020, valuation date. Assessed value does not reflect any changes made to valuation after July 2020 as a result of assessment appeal, correction or any other changes.  
<sup>(6)</sup> Per County Assessor’s secured roll data for Fiscal Year 2021-22, with a January 1, 2021, valuation date. Assessed value does not reflect any changes made to valuation after July 2021 as a result of assessment appeal, correction or any other changes.  
Source: County Assessor’s roll data, compiled by NBS.



**Top Taxpayers**

Table No. 6 shows the percent of the Fiscal Year 2021-22 Maximum Special Tax based on property ownership status as of July 2021 as provided by the County.

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**TABLE NO. 6  
LARGEST TAXPAYERS**

<u>Property Owner</u> <sup>(1)</sup>	<u>Property Type</u> <sup>(2)</sup>	<u>Fiscal Year 2021-22 Number of Parcels</u> <sup>(3)</sup>	<u>Fiscal Year 2021-22 Building Square Footage</u> <sup>(3)</sup>	<u>Fiscal Year 2021-22 Units</u> <sup>(3)</sup>	<u>Fiscal Year 2021-22 Maximum Special Tax</u> <sup>(4)</sup>	<u>% of Fiscal Year 2021-22 Maximum Special Tax</u>
WASHINGTON BOULEVARD PARTNERS	Apartment	2	-	122	\$14,059	0.55%
ACRES PROPERTIES LLC	Apartment	2	-	60	6,914	0.27
GROUP III SGV PROPERTIES LTD	Apartment	1	-	47	5,416	0.21
FUJIOKA FAMILY LTD PTNSHP	Apartment	2	-	40	4,610	0.18
HPA COLUSA LLC	Apartment	3	-	39	4,494	0.18
CAMERON JOHN K JR & MARGARET K	Single Family Residential	42	40,999	-	4,100	0.16
POSAMAR LLC	Apartment	1	-	35	4,033	0.16
1968 N LAKE AVE LLC	Commercial & Single Family Residential	18	17,420	-	3,106	0.12
HASSAN AHMED M & MAGDA A	Apartment	1	-	26	2,996	0.12
MAYER ASSETS GROUP THREE LP	Apartment	<u>1</u>	-	<u>24</u>	<u>2,766</u>	<u>0.11</u>
<i>Total Top Ten Owners</i>	<i>Various</i>	<i>73</i>	<i>58,419</i>	<i>393</i>	<i>\$52,495</i>	<i>2.05</i>
All Others	Various	<u>14,200</u>	<u>21,020,533</u>	<u>2,671</u>	<u>2,511,804</u>	<u>97.95</u>
<b>Totals</b>		<b>14,273</b>	<b>21,078,952</b>	<b>3,064</b>	<b>\$2,564,299</b>	<b>100.00%</b>

(1) Per County Assessor’s secured roll data for Fiscal Year 2021-22 as of July 2021.

(2) Assigned by the CFD Administrator according to the Rate and Method using County Assessor’s secured roll data for Fiscal Year 2021-22, as of July 2021.

(3) The special tax is levied per Building Square Foot for Single Family Residential Property, per Unit for Apartment Property, and per parcel for Commercial Property.

(4) Does not account for up to \$187,000 in special tax exemptions on Very Low-Income Property.

Source: County Assessor’s secured roll data, compiled by NBS.

**Estimated Total Valuation and Value-to Lien Ratio of Taxable Property Within the District**

Table No. 7 shows the pro-rata share of Bonds and other overlapping tax and assessment debt allocated by Fiscal Year 2021-22 Maximum Special Tax summarized based on value-to-lien ratios ranges.

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**TABLE NO. 7  
VALUE TO LIEN RATIO OF TAXABLE PROPERTY WITHIN THE DISTRICT**

<u>Assessed Value-to-Lien</u>	<u>Fiscal Year 2021-22 Parcels</u>	<u>Fiscal Year 2021-22 Maximum Special Tax</u> <sup>(1)</sup>	<u>% of Maximum Special Tax</u>	<u>Assessed Value</u> <sup>(2)</sup>	<u>Share of Bonds</u> <sup>(3)</sup>	<u>Other Overlapping Tax and Assessment Debt</u> <sup>(4)</sup>	<u>Total Direct and Overlapping Tax and Assessment Debt</u>	<u>Average Value to Lien</u>
Exempt Property	791	\$0	0.00%	\$214,795,396	\$0	\$507,543	\$507,543	423.21
Below 3:1	1	170	0.01	76,721	1,587	34,475	36,062	2.13
3:1 to 4.99:1	1	341	0.01	16,248	3,191	124	3,315	4.90
5:1 to 9.99:1	9	9,746	0.38	1,620,260	91,212	110,748	201,960	8.02
10:1 to 19.99:1	65	22,399	0.87	7,316,237	209,641	260,731	470,372	15.55
20:1 to 29.99:1	319	79,081	3.08	48,409,279	740,138	1,089,067	1,829,205	26.46
Above 30:1	<u>13,087</u>	<u>2,452,563</u>	<u>95.64</u>	<u>7,266,041,414</u>	<u>22,954,231</u>	<u>57,238,079</u>	<u>80,192,310</u>	<u>90.61</u>
<b>Totals</b>	<b>14,273</b>	<b>\$2,564,299</b>	<b>100.00%</b>	<b>\$7,538,275,555</b>	<b>\$24,000,000</b>	<b>\$59,240,767</b>	<b>\$83,240,767</b>	<b>90.56</b>

<sup>(1)</sup> Does not account for up to \$187,000 in special tax exemptions on Very Low-Income Property.

<sup>(2)</sup> Per County Assessor’s roll data for Fiscal Year 2021-22, with a January 1, 2021, valuation date. Assessed value does not reflect any changes made to valuation after July 2021 as a result of assessment appeal, correction or any other changes.

<sup>(3)</sup> Allocated based on the proportionate share of the Fiscal Year 2021-22 Maximum Special Tax.

<sup>(4)</sup> Per overlapping debt statement data provided by California Municipal Statistics dated August 1, 2021. Information shown is for Fiscal Year 2020-21.

Source: NBS.

Notwithstanding the foregoing and following discussions and estimates of value, there is no assurance that, in the event of a foreclosure sale of a parcel for delinquent Special Taxes, any bid would be received for such property or that any bid received would be sufficient to pay the delinquent Special Taxes and any parity special taxes, taxes and assessments. See the section herein entitled “SPECIAL RISK FACTORS.”

The District has no control over the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes and be secured by a lien on a parity with the lien securing payment of the Special Taxes. See “THE DISTRICT — Estimated Direct and Overlapping Debt” herein.

### **SPECIAL RISK FACTORS**

*Investment in the Bonds involves risks which may not be appropriate for certain investors. The following is a discussion of certain risk factors, in no particular order of importance, all of 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. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of existing or future property owners within the District to pay the Special Taxes levied in the District when due. Such failure 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.*

#### **Risks of Real Estate Secured Investments Generally**

The Owners 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 residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, fires and floods), which may result in uninsured losses.

No assurance can be given that the individual homeowners and other owners of Developed Property will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See “-Levy and Collection of the Special Taxes— Factors that Could Lead to Special Tax Deficiencies” below, for a discussion of certain limitations on the District’s ability to pursue judicial proceedings with respect to delinquent parcels.

#### **Limited Obligation to Pay Debt Service**

The District and the Library District have no obligation to pay principal of or interest on the Bonds if Special Tax collections are delinquent or insufficient for such purposes, [other than from amounts, if any, held in the Reserve Fund for the Bonds] or funds derived from the foreclosure and sale of parcels for Special Tax delinquencies. The Library District is not obligated to advance its own funds to pay debt service on the Bonds.

## **Levy and Collection of the Special Taxes**

*General.* The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against Developed Property within the District.

*Limitation on Special Tax Rate.* The annual levy of the Special Tax on any parcel is limited to the maximum Special Tax rate authorized in the Rate and Method. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the Bonds. Moreover, the Special Tax levy on a residential parcel may not be increased by more than 10% as a consequence of delinquencies in payment of Special Taxes by other property owners in the District.

*No Relationship Between Property Value and Special Tax Levy.* Because the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Developed Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Developed Property and their proportionate share of debt service on the Bonds, and certainly not a direct relationship.

*Factors that Could Lead to Special Tax Deficiencies.* The following are some of the factors that might cause the levy of the Special Tax on any particular Developed Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of Developed Parcels could be reduced through the acquisition of Developed Parcels by a governmental entity (by exercise of its rights as mortgage guarantor, or for other reasons) and failure of the government 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 taxed parcels.

Property Tax Delinquencies. Failure of the owners of Developed Parcels to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale of the delinquent parcels, could result in a deficiency in the collection of Special Taxes.

## **Payment of Special Taxes is not a Personal Obligation of the Property Owners**

Property Owners are not personally obligated to pay their respective Special Taxes. Rather, the Special Taxes are obligations only against the respective parcels against which they are levied. If, after a default in the payment of the Special Tax and a foreclosure sale, the resulting proceeds are insufficient to pay the delinquent Special Taxes, taking into account other obligations also constituting a lien against the parcel, the District has no recourse against the parcel owner.

## **Assessed Valuations**

The District has not commissioned an appraisal of the parcels in the District in connection with the issuance of the Bonds. Therefore, the estimated valuation of the parcels of Developed Property in the District set forth in this Official Statement is based on the County Assessor's values. The assessed value is not an indication of what a willing buyer might pay for a property. The assessed value is not evidence of future value because future facts and circumstances may differ significantly from the present.

## Property Values

The value of the Developed Property within the District is a critical factor in determining the investment quality of the Bonds. If a parcel owner defaults in the payment of the Special Taxes, the District's only remedy is to foreclose on the delinquent property to collect the delinquent Special Taxes.

The following is a discussion of risk factors that could affect the value of property in the District.

*Prolonged Economic Downturn.* Declines in property values in the District could result in property owner unwillingness or inability to pay mortgage payments, as well as *ad valorem* property taxes and Special Taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by property owners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings. See “-Enforcement Delays - Bankruptcy” below. Property values within the District were adversely affected by a decline in market value along with the rest of the State following the 2008-09 economic crisis.

*Risks Related to Mortgage Loans.* Although residential projects that have their homes built and occupied by homeowners are typically viewed as providing bondholders with strong credits, some of the home purchasers, especially those during 2004 to 2007, may face challenges in making their mortgage and tax payments on a timely basis, due to their initial high loan to value ratios, creative mortgage loan structures, and possible current negative equity levels.

Events in the United States and world-wide capital markets have affected and can adversely affect the future availability of mortgage loans to homeowners, including potential buyers of homes within the District. Any such unavailability could hinder the ability of the current homeowners to resell their homes, and adversely affect the market prices available to current homeowners and adversely affect the prospect for development of the vacant parcels in the District.

*Geologic, Topographic and Climatic Conditions.* The value of the parcels of Developed Property in the District in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the parcels in the District and the continued habitability and enjoyment of such private improvements. For example, the areas in and surrounding the District, like those in much of the State, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads, bridges and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event.

In recent years, portions of Southern California have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures, even in areas not previously thought to be prone to wildfires. On September 6, 2020, the Bobcat Fire started in the San Gabriel Mountains in and around the Angeles National Forest. It was one of the largest fires on record in the County and burned 115,796 acres. Certain properties within the District located against the foothills of the Angeles National Forest is in particular risk of wildfire. The climate in the County is characterized as Mediterranean dry-summer featuring cool, wet winters and warm, dry summers. High moisture levels during the winter rainy season significantly increase the growth of plants. However, the vegetation is dried during the long, hot summers, decreasing plant moisture content and increasing the ratio of dead fuel to living fuel. As a result, fire susceptibility increases dramatically, particularly in late summer and early autumn. Additionally, a local meteorological phenomenon, known as the Santa Ana winds, contributes to the high incidence of wildfires in the County. These winds originate during the autumn months in the hot, dry interior deserts to the north and east of the County. They often sweep west into the county, bringing

extremely dry air and high wind speeds that further desiccate plant communities during the period of the year when the constituent species have very low moisture content. The effect of these winds on existing fires is particularly dangerous; the winds can greatly increase the rate at which fires spread. Based on the conditions described above and the history of occurrence in the past, future events are very likely to occur. In the past, fires burning more than 1,000 acres have occurred about every 1 to 3 years. The extent of future events will depend on specific conditions at the time of the fire. Property damage due to wildfire could result in a significant decrease in the market value of property in District and in the ability or willingness of property owners to pay Special Taxes when due. CAL FIRE has designated certain areas of the District as being in a Very High Hazard Severity Zone.

Over 75% of unincorporated Los Angeles County is at risk to violent and extreme perceived shaking from future earthquakes. Violent perceived shaking can produce the potential for heavy damage. If there were to be an occurrence of severe seismic activity, there could be substantial damage to and interference with the all or a portion of property within the District.

Altadena is primarily located in a Flood Zone X, which are areas of 0.2% annual chance of flooding, areas of 1% annual chance of flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile, and areas protected by levees from 1% annual chance of flooding. Flood Zone X areas are also outside the 0.2% annual chance floodplain. According to the Unincorporated Los Angeles County Community Climate Action Plan 2020, which was adopted by Altadena in 2015, the County coastal land area is vulnerable to a 100-year flood event. However, the County has an extensive flood control system that has eliminated much of the flood hazards.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

*California Drought Conditions.* The State has been subject to droughts from time-to-time in the past. The State is currently in a statewide drought with regions ranging from severe drought to exceptional drought. The County is currently experiencing severe to exceptional drought conditions. The District cannot predict what effect any future drought conditions may have on property values, to what extent water reduction requirements may affect the homeowners or others in the District or to what extent drought could cause disruptions to economic activity within the boundaries of the District.

*Climate Change.* 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. In 2018, the State published its California's Fourth Climate Change Assessment for the Los Angeles region which encompasses the District. Such assessment states that for the region, average maximum temperatures are projected to increase around 4-5 degrees Fahrenheit by the mid-century and 5-8 degrees Fahrenheit by the late-century. Extreme temperatures are also expected to increase. The hottest day of the year may be up to 10 degrees warmer for many locations within the region. Despite small changes in average precipitation, dry and wet extremes are both expected to increase. By the late 21st century, the wettest day of the year is expected to increase across most of the region, with some location, experiencing 25-30% increases. Increased frequency and severity of atmospheric river events are also projected to occur for this region. Projections indicate that wildfire may increase over southern California, but there remains uncertainty in quantifying future changes of burned area over the region. The District cannot predict the timing, extent, or severity of climate change and its impact on property values, to what extent it may affect the homeowners or others in the District or to what extent climate change could cause disruptions to economic activity within the boundaries of the District.

*Hazardous Substances.* One of the most serious risks in terms of the potential reduction in the property values is a claim with regard to a hazardous substance. In general, the owners and operators of property 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 California 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 parcels of Developed Property in the District 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.

Although the District is not aware that the owner or operator of any of the parcels in the District has such a current liability, and no information is available as to the existence of any hazardous substances within the District, it is possible that such liabilities do currently exist. Further, it is possible that liabilities may arise in the future resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that 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 that 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 property values that would otherwise be realized upon a delinquency in the payment of Special Taxes.

*Other Factors.* Other factors that could adversely affect property values in the District include, among others, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, and destruction of property caused by manmade disasters.

### **COVID-19 (Coronavirus) Pandemic**

The spread of the novel strain of coronavirus called COVID-19 (“COVID-19”) is causing significant negative impacts throughout the world, including in the City. Since mid-March 2020, based on guidance and directives from the State and public health agencies, the County and the City have undergone varying degrees of closure and limited reopening of public buildings and businesses. On May 6, 2020, Governor Newsom issued Executive Order N-61-20 (the “Executive Order”), waiving penalties and interest on taxes on property on the secured or unsecured roll through May 6, 2021, under certain conditions, including: (i) the property is a residential property occupied by the taxpayer or the property is used for a small business, (ii) the taxes owed were not delinquent as of March 4, 2020, (iii) the taxpayer files for relief in a form prescribed by the tax collector, and (iv) the taxpayer demonstrates economic hardship to the satisfaction of the tax collector. The Executive Order ceased as of May 6, 2021.

The Library District initially closed both library buildings on March 13, 2020. Staff worked remotely, providing virtual programming, live-chat and phone reference and attended meetings virtually until returning to the buildings on May 18, 2020. The Library District continued all virtual support and also began offering contactless curbside services on May 20, 2020 and throughout the summer of 2020. Starting on October 6, 2020, both libraries opened in a limited capacity, allowing browsing and checkout of a small selection of library materials, public computer access and printing, copying and scanning capabilities. All patrons entering the libraries were required to agree to the Library District’s safety protocols and adhere to these during their time visiting the library. Due to the increase of COVID-19 rates, the Library District moved back to curbside service only on November 22, 2020. From the beginning of December 2020 through February 2021, staff worked remotely due to a large increase in

COVID-19 cases in the County. Staff again returned to the library buildings on March 1, 2021, offering curbside service immediately upon their return. In-person service in a limited capacity began on April 4, 2021 and both library buildings were fully opened on May 18, 2021 with reduced hours. The Library District continues to add more hours as demand increases.

On June 15 2021, Governor Gavin Newsom phased out the vast majority of executive actions put in place since March 2020 as part of the State’s response to COVID-19 to fully reopen the State’s economy and capacity and distancing restrictions were lifted for most businesses and activities. Public health measures currently remain for indoor events with 5,000 or more people (attendees must confirm proof of vaccination or negative COVID-19 status to attend) and outdoor events with 10,000 or more people (confirmation of proof of vaccination or negative COVID-19 status is recommended). Certain public health measures, including but not limited to mask, testing and/or vaccination requirements, remain in certain business settings and for certain industries.

Although the State has fully reopened its economy, the COVID-19 pandemic is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impacts are uncertain. However, the impact of the COVID-19 outbreak could adversely the District, including, but not limited to, one or more of the following ways: (i) continued extreme fluctuations in financial markets and contraction in available liquidity; (ii) extensive job losses and declines in business activity across important sectors of the economy; (iii) declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession; and (iv) the failure of government measures to stabilize the financial sector and introduce fiscal stimulus to counteract the economic impact of the pandemic. Any adverse impact of COVID-19 on the District and property owners willingness and ability to pay the Special Taxes when due, cannot be predicted.

### **Cybersecurity**

The Library District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal private or sensitive information, the Library District is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the Library District’s digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. To date, the Library District has not experienced an attack on its computer operating systems which resulted in a breach of its cybersecurity system that are in place. However, no assurances can be given that the Library District’s effort to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the Library District. [CONFIRM]

### **Other Possible Claims Upon the Property Values**

While the Special Taxes are secured by a lien on the parcels of Developed Property in the District, the property is subject to various parity liens and other similar claims. The table listing the outstanding governmental obligations affecting the District is set forth under “THE DISTRICT — Estimated Direct and Overlapping Debt.” In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels within the District, and may be secured by a lien on a parity with the lien of the Special Taxes securing the Bonds.

[Based on the Fiscal Year 2020-21 property tax roll, PACE liens exist against thirty three parcels of Developed Property within the District. The overlapping debt information in this Official Statement



does not include these PACE liens, or any additional PACE liens that may have arisen since the date of the Fiscal Year 2020-21 property tax roll. See “THE DISTRICT — Estimated Direct and Overlapping Debt.”]

In general, the Special Taxes, and all other taxes, assessments and charges also collected on the tax roll, are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. If proceedings are brought by the County to foreclose a delinquency, the Special Taxes will generally be on parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro-rata basis.

### **Exemptions Under Rate and Method and the Mello-Roos Act**

Certain properties are exempt from the Special Tax in accordance with the Rate and Method and the Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within 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, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

### **[Depletion of Reserve Fund**

A Reserve Fund has been established under the Fiscal Agent Agreement, which may be used to pay principal of and interest on the Bonds if insufficient funds are available from the proceeds of the levy and collection of the Special Taxes against the Developed Property within the District. See “SECURITY FOR THE BONDS — Reserve Fund.”

If the amount held in the Reserve Fund is depleted, the amount 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 the Administrative Expense Requirement and all amounts to be paid to the Fiscal Agent under the Fiscal Agent Agreement. However, no replenishment from the proceeds of a Special Tax levy can occur so long as the proceeds that are collected from the levy of the Special Tax against the Developed Property within the District at the maximum Special Tax rates, together with other available funds, remain insufficient to pay all such amounts. Moreover, the Special Tax levy on a residential parcel may not be increased by more than 10% as a consequence of delinquencies in payment of Special Taxes by other property owners in the District. Thus, it is possible that the amount available in the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.]

### **Enforcement Delays – Bankruptcy**

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in “SECURITY FOR THE BONDS,” 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 action could be delayed due to crowded local

court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the obligation to pay the Special Tax to become extinguished, the bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings because federal bankruptcy laws may provide for an automatic stay of foreclosure and sale of tax sale proceedings. Any such delays could increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent tax installments not being paid in full. Moreover, if the value of the subject property is less than the lien of the Special Tax, such excess could be treated as an unsecured claim by the bankruptcy court. Further, should remedies be exercised under the federal bankruptcy laws against Taxable Property, payment of the Special Tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the Special Tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

### **FDIC/Federal Government Interests in Properties**

The ability of the District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the Federal Deposit Insurance Corporation (the "FDIC"), or other federal government entities such as Fannie Mae or Freddie Mac, has or obtains an interest.

In the case of the FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Special Tax is not paid, the remedies available to the District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the nonpayment of taxes.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County, California, 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 in the event 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, 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.

#### **Disclosure to Future Purchasers**

The District recorded the Notice of Special Tax Lien with respect to the property in the District on January 26, 2021, 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 the obligations represented by the Special Taxes in the purchase of a parcel of land or a home in the District, or the lending of money secured by property in the District.

#### **No Acceleration**

The Fiscal Agent Agreement does not contain a provision allowing for acceleration of the principal of the Bonds if a payment default or other default occurs under the Fiscal Agent Agreement.

#### **Loss of Tax Exemption**

As discussed under the heading "TAX MATTERS," interest on the Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the District in violation of its covenants in the Fiscal Agent Agreement.

The Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the Bonds were to be includable in gross income for purposes of federal income taxation, the Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to the redemption provisions of the Fiscal Agent Agreement. See "THE BONDS — Redemption of Bonds."

In addition, Congress has considered in the past, is currently considering and may consider in the future, legislative proposals, including some that carry retroactive effective dates that, if enacted, would

alter or eliminate the exclusion from gross income for federal income tax purposes of interest on municipal bonds, such as the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation.

### **Voter Initiatives**

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the Library District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Bonds.

Proposition 218-Voter Approval for Local Government Taxes-Limitation on Fees, Assessments, and Charges-Initiative Constitutional Amendment, added Articles XIIC and XIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIIC of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes (“special taxes”) require a two-thirds vote.

The Special Taxes and the Bonds were each authorized by not less than a two-thirds vote of the registered voters residing within the District who constituted the qualified electors at the time of such voted authorization. The District believes, therefore, that issuance of the Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the District can be determined. Certain provisions of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

### **Enforceability of Remedies**

The remedies available to the Fiscal Agent and the owners of the Bonds upon a default under the Fiscal Agent Agreement or any other document described in this Official Statement are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. The legal opinions to be delivered concurrently with the issuance of the Bonds will be qualified to the extent that the enforceability of the legal documents with respect to the

Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Judicial remedies, such as enforcement of covenants, are subject to exercise of judicial discretion. A California court may not strictly apply certain remedies or enforce certain covenants if it concludes that application or enforcement would be unreasonable under the circumstances and it may delay the application of such remedies and enforcement.

### **Secondary Market for Bonds**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond 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.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code (the “Code”)), or changes in interpretation of the Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

### **TAX MATTERS**

In the opinion of Best Best & Krieger LLP, San Diego, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that interest on the Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax.

Bond Counsel’s opinion as to the exclusion from gross income for federal income tax purposes of interest on the Bonds is based upon certain representations of fact and certifications made by the Library District, on behalf of the District, the Underwriter and others and is subject to the condition that the Library District complies with all requirements of the Code and the regulations adopted pursuant to the Code (the “Treasury Regulations”) that must be satisfied subsequent to the issuance of the Bonds to assure that interest on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code and the Treasury Regulations might 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 will covenant in the Fiscal Agent Agreement and the tax certificate to be delivered in connection with the issuance of the Bonds to comply with all such requirements.

Should the interest on the Bonds become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption as a result of such occurrence and will remain outstanding until maturity or until otherwise redeemed in accordance with the Fiscal Agent Agreement.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Bond Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals are announced from

time to time which generally would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Bond Counsel's opinion may be affected by action taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds. Bond Counsel has not undertaken to determine, or to inform any person, whether any such action or events are taken or do occur, or whether such actions or events may adversely affect the value or tax treatment of a Bond, and Bond Counsel expresses no opinion with respect thereto.

Although Bond Counsel will render an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes provided the City continues to comply with certain requirements of the Code, the accrual or receipt of interest on the Bonds may otherwise affect the tax liability of the recipient.

The extent of these other tax consequences will depend upon the recipient's particular tax status and other items of income or deductions. Bond Counsel expresses no opinion regarding any such consequences. Accordingly, all potential purchasers should consult their tax advisors before purchasing any of the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as "APPENDIX B – PROPOSED FORM OF OPINION FO BOND COUNSEL."

### **CONTINUING DISCLOSURE**

The District has agreed in a Continuing Disclosure Agreement to provide certain annual financial information (the "Annual Reports") and notices of the occurrence of certain enumerated events in accordance with Rule 15c2-12 of the Securities Exchange Act of 1934 as amended (the "Rule") by not later than [March 1] in each year commencing [March 1], 2022. NBS will act as dissemination agent (the "Dissemination Agent") pursuant to the Continuing Disclosure Agreement. The specific nature of the information to be contained in the Annual Reports or the notices of listed events and certain other terms of the continuing disclosure obligation are found in the form of the Continuing Disclosure Agreement in "APPENDIX E — FORM OF CONTINUING DISCLOSURE AGREEMENT."

Neither the District nor the Library District have entered into any previous undertakings pursuant to the Rule.

It is expected that the Dissemination Agent will prepare and file the Annual Report and any notices of listed events as required by the Continuing Disclosure Agreement for the Bonds on behalf of the District.

## LEGAL MATTERS

### Absence of Litigation

At the time of delivery of and payment for the Bonds, the District will deliver a certificate to the effect that there is no known action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or regulatory agency against the Library District or the District affecting the existence of the Library District or the District or the title of their respective officers to office 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 Fiscal Agent Agreement, or the collection or application of the Special Taxes to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution of Issuance, the Fiscal Agent Agreement, or any other applicable agreements or any action of the Library District or the District or contemplated by any of said documents.

### Legal Matters Incident to the Issuance of the Bonds

Certain legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Best Best & Krieger LLP, acting in its capacity as Bond Counsel. Certain legal matters related to the Bonds and the District will be passed upon by Best Best & Krieger LLP, acting in its capacity as General Counsel to the Library District. Certain legal matters related to disclosure will be passed upon for the District by Best Best & Krieger LLP, acting in its capacity as Disclosure Counsel to the District. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

## CONCLUDING INFORMATION

### Rating on the Bonds

S&P has assigned a rating of “[ ]” to the Bonds. Such rating reflects only the views of S&P, and any desired explanation of the significance of such ratings may be obtained from S&P Global Ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance such ratings will continue for any given period of time or that such ratings 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 revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Except as otherwise required in the Continuing Disclosure Agreement, the District undertakes no responsibility either to bring to the attention of the owners of any Bonds any downward revision or withdrawal of any rating obtained or to oppose any such revision or withdrawal. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

### Underwriting

The Bonds are being purchased by Hilltop Securities Inc. (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_ (being \$ \_\_\_\_\_ aggregate principal amount thereof, plus/less [net] original issue premium/discount of \$\_\_\_\_\_ and less Underwriter’s discount of \$\_\_\_\_\_). The purchase contract 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 contract, the approval of certain legal matters by counsel and certain other conditions.

Under certain circumstances, the Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the page immediately following the cover page hereof. The offering prices may be changed from time to time by the Underwriter.

**The Municipal Advisor**

The material contained in this Official Statement was prepared by the District with the assistance of Urban Futures, Inc., Tustin, California (the “Municipal Advisor”), an independent financial consulting firm, which advised the District as to the financial structure and certain other financial matters relating to the Bonds. The information set forth herein has been obtained by the District from sources which are believed to be reliable, but such information is not guaranteed by the Municipal Advisor as to accuracy or completeness, nor has it been independently verified by the Municipal Advisor. [Fees paid to the Municipal Advisor are contingent upon the sale and delivery of the Bonds.]

**Miscellaneous**

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are intended 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 or agreement between any of the District, Library District or the Underwriter and the purchasers or the owners of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the Board of Trustees of the Library District acting in its capacity as the legislative body of the District.

ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)

By: \_\_\_\_\_



**APPENDIX A**  
**SUMMARY OF FISCAL AGENT AGREEMENT**

**APPENDIX B**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

[Closing Date]

Altadena Library District  
Community Facilities District No. 2020-1 (Facilities and Services)  
c/o Board of Trustees  
Altadena Library District  
600 E. Mariposa Street  
Altadena, California 91001

Re: \$\_\_\_\_\_ Altadena Library District Community Facilities District No. 2020-1  
(Facilities and Services) 2022 Special Tax Bonds

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (the “District”), of \$\_\_\_\_\_ aggregate principal amount of Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) 2022 Special Tax Bonds (the “Bonds”). The Bonds are issued pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”), Resolution No. [\_\_\_\_\_] adopted by the Board of Trustees of the Altadena Library District, acting as the legislative body of the District on December 20, 2021 (the “Resolution”), and a Fiscal Agent Agreement dated as of \_\_\_\_\_ 1, 2022 (the “Fiscal Agent Agreement”), by and between the District and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”).

We have examined the Act, the Resolution, the Fiscal Agent Agreement and certified copies of the proceedings taken for the issuance and sale of the Bonds. As to questions of fact which are material to our opinions, we have relied upon the representations of the District and the Altadena Library District contained in the Fiscal Agent Agreement and in certificates of its authorized officers which have been delivered to us for the purpose of supplying such facts, without having undertaken to verify the accuracy of any such representations by independent investigation.

Based upon such examination, we are of the opinion, as of the date hereof, that the proceedings referred to above have been taken in accordance with the laws and the Constitution of the State of California, and that the Bonds, having been issued in duly authorized form and executed by the proper officials and delivered to and paid for by the purchaser thereof, and the Fiscal Agent Agreement having been duly authorized and executed by the proper official, constitute the legally valid and binding obligations of the District enforceable in accordance with their terms subject to the qualifications specified below and the Bonds, except where funds are otherwise available, as may be permitted by law, are payable, as to both principal and interest, solely from certain special taxes to be levied and collected within the District and other funds available therefor held under the Fiscal Agent Agreement.

The Internal Revenue Code of 1986, as amended (the “Code”), sets forth certain investment, rebate and related requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest on the Bonds to be and remain exempt from federal income taxation. Noncompliance with

such requirements could cause the interest on the Bonds to be subject to federal income taxation retroactive to the date of issuance of the Bonds. Pursuant to the Fiscal Agent Agreement, the District has covenanted to comply with the requirements of the Code and applicable regulations promulgated thereunder.

We are of the opinion that, under existing statutes, regulations, rulings and court decisions, and assuming compliance by the District with the aforementioned covenants, the interest on the Bonds is excluded from gross income for purposes of federal income taxation and is exempt from personal income taxation imposed by the State of California.

We are further of the opinion that interest on the Bonds is not an item of tax preference for purposes of calculating the alternative minimum tax provisions of the Code. Although interest on the Bonds is excluded from gross income for purposes of federal income taxation, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these tax consequences will depend on the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

The opinions expressed herein may be affected by action which may be taken (or not taken) or events which may occur (or not occur) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or occur or are not taken or do not occur.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Respectfully submitted,

## APPENDIX C

### RATE AND METHOD OF APPORTIONMENT FOR ALTADENA LIBRARY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2020-1 (FACILITIES AND SERVICES)

A Special Tax, as hereinafter defined, shall be levied on all Assessor's Parcels in the Altadena Library District (the "District") Community Facilities District No. 2020-1 (Facilities and Services) ("CFD No. 2020-1") and collected each Fiscal Year commencing in Fiscal Year 2021-22, in an amount determined by the District or its designee, through the application of the Rate and Method of Apportionment as described below. All real property in CFD No. 2020-1, 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:

**"Accessory Dwelling Unit"** means a secondary residential unit of limited size, as defined in California Government Code Section 65852.1 as that may be amended from time to time, that is accessory to a single-unit dwelling located on an Assessor's Parcel.

**"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.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2020-1: the costs of any paying agents/fiscal agents/trustees related to Bond payments (including the fees and expenses of its counsel), banking and management; the costs of computing the Special Tax Requirement, the Special Taxes and of preparing the collection schedules for the Special Taxes; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the District or designee in complying with the disclosure requirements of California law (including the Act) and the federal securities laws; costs of responding to public inquiries regarding the Special Taxes; the costs of the District or designee related to an appeal of the Special Taxes or interpretation of the Rate and Method of Apportionment; amounts needed to pay rebate to the federal government related to Bonds; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in the District. Administrative Expenses shall also include an allocable share of the salaries of District staff and an allocable portion of District overhead costs relating to the foregoing, or costs of the District in any way related to the establishment or administration of the District. Administrative Expenses shall also include amounts estimated or advanced by the District or CFD No. 2020-1 for any other administrative purposes of CFD No. 2020-1.

**"Apartment Property"** means all Assessor's Parcels of Developed Property that consist of Units available for lease or rent in a multi-unit building. Typical County Use Codes include, but are not limited to: 0200, 0201, 0300, 0301, 0400, 0401, 0500, and 0501.

**“Assessor’s Data”** means the property characteristic data compiled and maintained by the County Assessor for each Assessor’s Parcel, including, but not limited to, Assessor’s Parcel Number, Use Code, Building Square Footage, and Units.

**“Assessor’s Parcel”** means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

**“Assessor’s Parcel Map”** means an official map of the County Assessor of the County designating parcels by Assessor’s Parcel Number.

**“Assessor’s Parcel Number” or “APN”** means, with respect to an Assessor’s Parcel, that number assigned to such Assessor’s Parcel by the County for purposes of identification.

**“Authorized Facilities”** means the public facilities authorized to be financed, in whole or in part, by CFD No. 2020-1, including by the proceeds of any CFD No. 2020-1 Bonds. The Special Tax to fund Authorized Facilities may only be levied prior to the Transition Year.

**“Authorized Services”** means the services authorized to be funded, in whole or in part, by CFD No. 2020-1.

**“Board of Trustees”** means the District Board of Trustees, acting as the legislative body of CFD No. 2020-1.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, issued or assumed by or on behalf of CFD No. 2020-1 under the Act. Bonds also includes any bonds issued to refinance a previous bond issue.

**“Building Square Footage” or “Building Square Feet”** or, singularly, **“Building Square Foot”** means the building square footage assigned to each Assessor’s Parcel, which may be determined by (i) referencing Assessor’s Data, (ii) site surveys, and/or (iii) other research by the CFD Administrator.

**“CFD Administrator”** means an official of the District, or designee thereof, responsible for determining the Special Tax Requirement, and providing for the levy and collection of the Special Taxes.

**“CFD No. 2020-1”** means Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services).

**“Commercial Property – Greater than 10,000 Square Feet”** means all Assessor’s Parcels of Developed Property used for non-residential purposes, such as commercial or industrial uses, and contain a structure with 10,000 or more Building Square Feet. Possessory interests are not included in this definition. Typical County Use Codes include, but are not limited to: 1010, 1100, 1101, 1200, 1210, 1400, 1420, 1500, 1700, 1702, 1720, 1900, 1910, 1920, 1922, 2100, 2101, 2110, 2120, 2300, 2302, 2400, 2500, 250L, 2600, 2670, 2900, 3000, 3100, 3300, 3310, 3340, 6400, 6510, 6710, 6800, 7100, 7200, 7202, 7410, 7500, and 7700.

**“Commercial Property – Less than 10,000 Square Feet”** means all Assessor’s Parcels of Developed Property used for non-residential purposes, such as commercial or industrial uses,

and contain a structure with less than 10,000 Building Square Feet. Possessory interests are not included in this definition. Typical County Use Codes include, but are not limited to: 1010, 1100, 1101, 1200, 1210, 1400, 1420, 1500, 1700, 1702, 1720, 1900, 1910, 1920, 1922, 2100, 2101, 2110, 2120, 2300, 2302, 2400, 2500, 250L, 2600, 2670, 2900, 3000, 3100, 3300, 3310, 3340, 6400, 6510, 6710, 6800, 7100, 7200, 7202, 7410, 7500, and 7700.

**“County”** means the County of Los Angeles.

**“Debt Service”** means for each Debt Year, the total amount of principal and interest due for any Bonds of CFD No. 2020-1.

**“Debt Year”** means each 12-month period designated as such, or by a similar term, in the Indenture for each series of Bonds.

**“Developed Property”** means for each Fiscal Year, all Taxable Property, exclusive of Taxable Contingent Property, for which the County has assigned a Use Code indicating residential or non-residential use and which are not vacant.

**“District”** means the Altadena Library District.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“GIS”** or **“Geographic Information System”** means a system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data.

**“Indenture”** means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds for CFD No. 2020-1 are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**“Maximum Special Tax”** means the Maximum Special Tax determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Outstanding Bonds”** means all Bonds that are outstanding under and in accordance with the provisions of the Indenture.

**“Property Owner Association Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 2020-1 that is owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

**“Property Type”** means either Single Family Residential Property, Apartment Property, Commercial Property – Less than 10,000 Square Feet, Commercial Property – Greater than 10,000 Square Feet, Taxable Contingent Property, or Tax-Exempt Property.

**“Proportionately”** means for Developed Property that the ratio of the Special Tax levy to the Maximum Special Tax is equal for all Assessors’ Parcels of Developed Property within CFD No. 2020-1. For Taxable Contingent Property, “Proportionately” means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Contingent Property within CFD No. 2020-1.

**“Public Property”** means property within the boundaries of CFD No. 2020-1 owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to the federal government, the State, the County, the District, or any local government or other public agency, provided 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 according to its use.

**“Single Family Residential Property”** means all Assessor’s Parcels of Developed Property with a residential structure intended for a single Unit. Typical County Use Codes include, but are not limited to: 0100, 0101, 0102, 0103, 0104, 0106, 0108, 0109, 010C, 010D, 010E, 010H, 0113, 0133, 0800, and 0801.

**“Special Tax(es)”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2020-1 to fund the Special Tax Requirement.

**“Special Tax Requirement”** means that amount required in any Fiscal Year for CFD No. 2020-1:

Before the Transition Year, to (1) pay Debt Service on all Outstanding Bonds which is due in such Fiscal Year; (2) pay for Authorized Services; (3) pay Administrative Expenses; (4) provide any amount required to establish or replenish a reserve fund in connection with any Bonds; (5) provide any amount required to establish or replenish any operating reserve held by the District for Authorized Services and/or Administrative Expenses; (6) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (4) or (5). The amounts referred to in clauses (1) through (6) of the preceding sentence may be reduced in any Fiscal Year (in the District’s sole discretion) by (i) interest earnings on or surplus balances in funds and accounts for Bonds to the extent that such earnings or balances are available to apply against Debt Service pursuant to the Indenture, (ii) proceeds from the collection of penalties associated with delinquent Special Tax, and (iii) any other revenues available to pay Debt Service on the Outstanding Bonds or other indebtedness as determined by the CFD Administrator.

Beginning in the Transition Year, to (1) pay for Authorized Services; (2) pay Administrative Expenses; (3) provide any amount required to establish or replenish any operating reserve held by the District for Authorized Services and/or Administrative Expenses; (4) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act; less (5) a credit for funds available, if any, to reduce the Special Tax levy.

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

**“Tax-Exempt Property”** means all Assessor’s Parcels within the boundaries of CFD No. 2020-1 which are exempt from the Special Tax pursuant to the Act or Section E below.

**“Taxable Contingent Property”** means any Assessor’s Parcel that was previously classified and levied as Taxable Property, but has changed ownership or use such that it would subsequently be classified as Property Owner Association Property or Public Property, or other property, as Tax-Exempt Property pursuant to the provisions of Section E.

**“Taxable Property”** means all Assessor’s Parcels within the boundaries of CFD No. 2020-1 which are not exempt from the Special Tax pursuant to the Act or Section E below.

**“Transition Event”** means the earlier of (i) Fiscal Year 2055/56 or (ii) the Fiscal Year when the CFD Administrator determines that both of the following events have occurred: (a) all Bonds secured by the levy and collection of the Special Tax in CFD No. 2020-1 have been fully repaid and the District determines that no additional Bonds are to be issued, and (b) all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the District.

**“Transition Year”** means the first year in which the CFD Administrator determines that the Transition Event occurred in the prior Fiscal Year.

**“Trustee”** means the trustee or fiscal agent under the Indenture.

**“Undeveloped Property”** means all Assessor’s Parcels of used for residential or non-residential purposes, but do not contain any Building Square Footage. Typical County Use Codes include, but are not limited to: 010V, 010X, 100V, 300V, and 770V.

**“Unit”** means an individual residential living space. The number of Units assigned to each Assessor’s Parcel may be determined by (i) referencing Assessor’s Data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator. An Accessory Dwelling Unit shall not be considered a Unit for the purposes of the Special Tax.

**“Use Code”** means that code assigned by the County for the purpose of identifying the primary activity for which an Assessor’s Parcel is being used.

**“Welfare Exempt Property”** means all Assessor’s Parcels within the boundaries of CFD No. 2020-1 that have been granted a welfare exemption pursuant to Section 53340 (c) under the Act under subdivision (g) of Section 214 of the Revenue and Taxation Code by the County.

**“Very Low-Income Exemption Form”** means a form made available by the District or the CFD Administrator and submitted to the District or CFD Administrator by the owner of an Assessor’s Parcel no later than June 30 each year that, if accepted and approved by the District or the CFD Administrator, shall cause the Assessor’s Parcel owned by the submitter to be designated as Tax-Exempt Property in the following Fiscal Year. The Very Low-Income Exemption Form shall require the applicant to provide (i) the Assessor’s Parcel to which the exemption shall apply, (ii) proof that household income for the calendar year preceding the Fiscal Year for which the form is being filed was less than or equal to the Very Low-Income Limits for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area, or similar Income Limit Area if the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area no longer exists in the future, as published by the U.S. Department of Housing and Urban Development, and (iii) an attestation that the owner occupies the Assessor’s Parcel for which the form is being submitted. Proof of household income



shall be confirmed by review of the prior years' tax return of individuals living in the household; copies of all such tax returns must be attached to the Very Low-Income Exemption Form in order for the District or the CFD Administrator to verify household income. A Very Low-Income Exemption Form must be submitted to the District or the CFD Administrator no later than June 30 each year for the Assessor's Parcel to continue to be eligible for an exemption in the following Fiscal Year.

**"Very Low-Income Property"** means, in any Fiscal Year, all Assessor's Parcels within CFD No. 2020-1 for which a Very Low-Income Exemption Form was submitted to the District or the CFD Administrator on or prior to June 30 of the previous Fiscal Year and has been accepted as valid by the District or the CFD Administrator. All Assessor's Parcels with an approved Very Low-Income Exemption Form shall be classified as Tax-Exempt Property, with the following exception: if, in any Fiscal Year, the aggregate total exemptions related to Very Low-Income Property would exceed \$187,000 (stated in Fiscal Year 2021-22 dollars, and increasing by 2% each July 1 thereafter), the CFD Administrator shall proportionately reduce the amount of the discount from 100% to each Assessor's Parcel of Very Low-Income Property until the aggregate discount equals \$187,000 (stated in Fiscal Year 2021-22 dollars, and increasing by 2% each July 1 thereafter). The Board of Trustees may elect to allow the aggregate total exemptions related to Very Low-Income Property to exceed \$187,000 (stated in Fiscal Year 2021-22 dollars, and increasing by 2% each July 1 thereafter) beginning in the Transition Year and any subsequent Fiscal Year or if funds from another source are made available to the CFD by the District or other party to fund additional exemptions.

**B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, the CFD Administrator shall determine the valid Assessor's Parcel Numbers for all Taxable Property within CFD No. 2020-1. If any Assessor's Parcel Numbers are no longer valid from the previous Fiscal Year, the CFD Administrator shall determine the new Assessor's Parcel Number(s) that are in effect for the current Fiscal Year. To the extent Assessor's Parcels of Taxable Property are subdivided, consolidated, or otherwise reconfigured, the Special Tax rates shall be assigned to the new Assessor's Parcel(s) pursuant to Section C.

Each Fiscal Year, all Assessor's Parcels within CFD No. 2020-1 shall be classified as follows:

1. Each Assessor's Parcel shall be determined to be Taxable Property or Tax-Exempt Property.
2. Each Assessor's Parcel of Taxable Property shall be further classified as Developed Property or Taxable Contingent Property. Taxable Property shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.
3. Each Assessor's Parcel of Developed Property and Taxable Contingent Property shall be further classified as Single Family Residential Property, Apartment Property, Commercial Property – Less than 10,000 Square Feet or Commercial Property – Greater than 10,000 Square Feet. For Single Family Residential Property, Commercial Property – Less than 10,000 Square Feet, and Commercial Property – Greater than 10,000 Square Feet, the Building

Square Footage for each Assessor’s Parcel shall be determined. For Apartment Property, the number of Units for each Assessor’s Parcel shall be determined.

**C. MAXIMUM SPECIAL TAX RATES**

Notwithstanding the below, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor’s Parcel for which an occupancy permit for private residential use has been issued be increased by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default by the owner(s) of any other Assessor’s Parcel within CFD No. 2020-1.

**PRIOR TO THE TRANSITION EVENT**

**1. Developed Property**

The Maximum Special Tax for each Assessor’s Parcel of Developed Property is shown in Table 1.

**TABLE 1  
MAXIMUM SPECIAL TAX FOR DEVELOPED PROPERTY  
FISCAL YEAR 2021-22**

Property Type	Maximum Special Tax	Per
Single Family Residential Property	\$0.10	Building Square Foot
Apartment Property	115.24	Unit
Commercial Property – Less than 10,000 Square Feet	340.92	Assessor’s Parcel
Commercial Property – Greater than 10,000 Square Feet	460.97	Assessor’s Parcel

On each July 1, commencing on July 1, 2022, the Maximum Special Tax 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 Contingent Property**

**Maximum Special Tax**

The Maximum Special Tax for each Assessor’s Parcel of Taxable Contingent Property shall be assigned as shown in Table 1 according to the previous Taxable Property type and use.

**Increase in the Maximum Special Tax**

On each July 1, commencing on July 1, 2022, the Maximum Special Tax for Taxable Contingent Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

**AFTER THE TRANSITION EVENT**

The Maximum Special Tax for each Assessor’s Parcel that may be levied in any Fiscal Year after the Transition Event is determined as, an amount equal to 100% of the Maximum Special Tax in the Fiscal Year prior to the Transition Year.

On each July 1 after the Transition Event, the Maximum Special Tax for Developed Property and the Maximum Special Tax for Taxable Contingent 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 TAXES**

Commencing with Fiscal Year 2021-22 and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement, and shall levy the Special Tax until the amount of the Special Tax equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor’s Parcel of Developed Property at a rate up to 100% of the applicable Maximum Special Tax for Developed Property to satisfy the Special Tax Requirement.

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on all Taxable Contingent Property at a rate up to 100% of the Maximum Special Tax for Taxable Contingent Property.

**E. EXEMPTIONS**

No Special Tax shall be levied on Public Property, Property Owner Association Property, Undeveloped Property, or any other property which would not normally receive a property tax bill from the County due to the very-low or zero assessed value of such property. No Special Tax shall be levied on Very Low-Income Property up to a total of \$187,000 (stated in Fiscal Year 2021-22 dollars and increasing by 2% each July 1 thereafter). If the total Special Tax on all Very Low-Income Property exceeds \$187,000 (stated in Fiscal Year 2021-22 dollars, and increasing by 2% each July 1 thereafter), the CFD Administrator shall proportionately reduce the amount of the discount from 100% to each Assessor’s Parcel of Very Low-Income Property until the aggregate discount equals \$187,000 (stated in Fiscal Year 2021-22 dollars and increasing by 2% each July 1 thereafter). The Board of Trustees may elect to allow the aggregate total exemptions related to Very Low-Income Property to exceed \$187,000 (stated in Fiscal Year 2021-22 dollars and increasing by 2% each July 1 thereafter) beginning in the Transition Year and any subsequent Fiscal Year or if funds from another source are made available to the CFD by the District or other party to fund additional exemptions. However, should an Assessor’s Parcel no longer be classified as Public Property, Property Owner Association Property, Undeveloped Property, Very Low-Income Property, or any other property which would not normally receive a property tax bill from the County due to the very-low or zero assessed value of such property, its tax-exempt status will be revoked. In the case of Public Property and pursuant to Section

53317.3 of the Act, if property not otherwise exempt from the Special Tax levied pursuant to this chapter is acquired by a public entity through a negotiated transaction, or by gift or devise, the special tax shall, notwithstanding Section 53340, continue to be levied on the property acquired and shall be enforceable against the public entity that acquired the property.

Taxable Contingent Property shall be subject to the levy of the Special Tax, assigned to a Property Type in accordance with the use of the property, and shall be taxed Proportionately as part of the second step in Section D above, at up to 100% of the applicable Maximum Special Tax.

As may be required pursuant to the Act, Welfare Exempt Property may be classified as Exempt Property or may be reimbursed for Special Tax levied and paid. In order to receive reimbursement, the property owner must provide documentation of the exemption to the CFD Administrator within one calendar year after having paid the Special Taxes for which an exemption has been granted. A refund of the amount of Special Taxes paid for the Fiscal Year the exemption has been granted will be provided to the property owner of Welfare Exempt Property who was granted the exemption.

**F. APPEALS**

Any property owner may file a written appeal of the Special Taxes with the CFD Administrator claiming that the amount or application of the Special Taxes is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the Board of Trustees whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the Board of Trustees requires the Special Taxes to be modified or changed in favor of the property owner, the CFD Administrator shall determine if sufficient Special Tax revenue is available to make a cash refund. If a cash refund cannot be made, then an adjustment shall be made to credit future Special Taxes.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

**G. INTERPRETATIONS**

The Board of Trustees may, by resolution or ordinance, interpret, clarify and/or revise this Rate and Method of Apportionment to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, classification of Assessor's Parcels, or

any definition used herein, as long as such correction does not materially affect the levy and collection of Special Taxes. In addition, the interpretation and application of any section of this document shall be at the District's discretion.

**H. MANNER OF COLLECTION**

The Special Taxes shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the CFD Administrator may, at the sole discretion of the District, directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of the Special Tax.

**I. PREPAYMENT OF SPECIAL TAX**

The Special Tax may not be prepaid.

**J. TERM**

The Special Tax shall be levied and collected, as needed to fund the Special Tax Requirement, in perpetuity. However, no portion of the Special Tax shall be levied for Authorized Facilities after Fiscal Year 2055/56, which shall be the last Fiscal Year in which the Transition Event may occur: provided, however, that a Special Tax that was lawfully levied for Authorized Facilities in or before Fiscal Year 2055/56 and that remains delinquent may be collected in subsequent years.

## APPENDIX D

### ECONOMIC AND DEMOGRAPHIC INFORMATION FOR ALTADENA AND LOS ANGELES COUNTY

*The following information is presented as general background data. The Bonds are payable solely from the sources as described in the Official Statement. The taxing power of Altadena, the County of Los Angeles, the State of California or any political subdivision thereof is not pledged to the payment of the Bonds.*

#### **General**

**Altadena.** Altadena is an unincorporated community and census-designated place in Los Angeles County, California, (the “County”) approximately 14 miles from the downtown Los Angeles Civic Center. Altadena covers approximately 8.7 square miles, is next to and within the foothills of the San Gabriel Mountains and has over 44,000 residents. It is bounded on three sides by wilderness (the Arroyo Seco, Angeles National Forest, and Eaton Canyon) and on the south by the City of Pasadena.

Altadena has numerous natural attractions centered around the hiking trails in the surrounding San Gabriel Mountains. There is an active Town Council that serves as an advisory body to the County government, and a host of artistic, civic and religious organizations that bring vibrancy to this unique foothills community. Altadena is home to the famous Christmas Tree Lane, a state historical site listed in the California Historical Register. which has been a holiday attraction since 1920.

**Los Angeles County.** The County was established by an act of the California State Legislature on February 18, 1850 as one of the original 27 counties of the State of California (the “State”). Located in the southern coastal portion of the State, the County covers approximately 4,083 square miles and includes 88 incorporated cities as well as many unincorporated communities such as Altadena. With a population of over 10 million, the County is the most populous of the 58 counties in the State and has a larger population than 41 states.

As required by the County Charter, County ordinances, and State or federal mandates, the County is responsible for providing government services at the local level for activities including public welfare, health and justice, the maintenance of public records, and administration of *ad valorem* taxes. The County provides services such as law enforcement and public works to cities within the County on a cost-recovery contract basis. The County also provides certain municipal services to unincorporated areas of the County and operates recreational and cultural facilities throughout the County. The County is a charter county governed by a five-member Board of Supervisors, each of whom is elected by residents from their respective supervisorial districts to serve four-year terms.

#### **Population**

The following table offers population figures for Altadena, the County and the State of California (the “State”) as of January 1, 2017 through January 1, 2021 (except as noted).

**ALTADENA, COUNTY OF LOS ANGELES-LONG BEACH-GLENDALE METROPOLITAN  
AREA AND STATE OF CALIFORNIA  
POPULATION  
2017-2021**

	<u>1/1/2017</u>	<u>1/1/2018</u>	<u>1/1/2019</u>	<u>1/1/2020</u>	<u>1/1/2021</u>
Altadena	45,236	45,146	44,850	[44,850*]	[44,850*]
County of Los Angeles	10,181,162	10,192,593	10,163,139	10,135,614	10,044,458
State of California	39,352,398	39,519,535	39,605,361	39,648,938	39,466,855

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2021, with 2010 Benchmark.

United States Census Bureau (www.census.gov)

\* 2019 Data

**Major Industries in the County**

The following table lists the municipal industries located in the County as of June 30, 2020.

**COUNTY OF LOS ANGELES  
TEN LARGEST INDUSTRIES  
JUNE 30, 2020**

<u>Industry</u>	<u>Number of Employees</u>	<u>Percentage of Total</u>
Educational & Health Services	799,800	19.47%
Trade, Transportation and Utilities	777,000	18.92
Professional & Business Services	590,100	14.37
Government	579,300	14.10
Leisure & Hospitality	378,600	9.22
Manufacturing	314,700	7.66
Financial Activities	218,600	5.32
Information	178,400	4.34
Construction	146,100	3.56
Other Services	118,900	2.90
Ten largest industries	4,101,500	99.86
All other industries	<u>5,700</u>	<u>0.14</u>
<b>Total industries</b>	<b><u>4,107,200</u></b>	<b><u>100.00%</u></b>

Note: Employment by industry is presented because the County has been unable to obtain employment numbers for individual employers.

Source: County of Los Angeles Comprehensive Financial Report for Fiscal Year Ended June 30, 2020.

<https://auditor.lacounty.gov/annual-comprehensive-financial-report/>

## Employment and Industry

Employment data by industry is not separately reported on an annual basis for Altadena, but is compiled for the County. The following table represents the Annual Average Labor Force and Industry Employment for the County of Los Angeles Metropolitan Statistical Area for calendar years 2017 through 2021 and preliminary information through October 2021.

### COUNTY OF LOS ANGELES-LONG BEACH-GLENDALE METROPOLITAN AREA INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE 2017-2021

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021*</u>
Civilian Labor Force	5,096,500	5,136,300	5,194,800	4,921,500	5,027,300
Civilian Employment	4,853,800	4,896,500	4,986,700	4,291,700	4,632,800
Civilian Unemployment	242,700	239,800	208,000	629,800	394,500
Civilian Unemployment Rate	4.8%	4.7%	4.0%	12.8%	7.8%
Total Farm	5,700	4,600	4,400	4,400	4,700
			4,561,500	4,561,500	
Total Nonfarm	4,449,200	4,516,100			4,316,000
Total Private	3,863,100	3,925,500	3,974,600	3,581,000	3,748,700
Goods Producing	491,100	490,800	492,500	460,900	460,500
Mining, Logging and Construction	140,800	148,200	151,800	147,200	149,900
Mining and Logging	2,000	1,900	1,900	1,700	1,600
Construction	138,700	146,300	149,800	145,500	148,300
Manufacturing	350,400	342,600	340,700	313,800	310,600
Service Providing	3,958,100	4,025,300	4,069,000	3,685,800	3,855,500
Trade, Transportation & Utilities	845,700	851,600	851,400	787,300	823,100
Wholesale Trade	221,500	223,200	220,500	200,100	203,900
Retail Trade	426,100	424,800	417,900	378,600	397,300
Transportation, Warehousing & Utilities	198,200	203,600	213,000	208,600	221,900
Utilities	11,500	11,500	12,000	12,500	12,700
Information	214,900	216,400	217,900	185,800	190,600
Financial Activities	221,600	223,200	223,500	211,500	208,800
Professional & Business Services	612,100	630,400	643,900	593,300	618,700
Educational & Health Services	797,400	817,900	839,900	820,900	853,400
Leisure & Hospitality	524,600	536,500	547,200	394,400	461,500
Other Services	155,700	158,800	158,400	127,000	132,100
Government	<u>586,100</u>	<u>589,600</u>	<u>586,900</u>	<u>565,600</u>	<u>567,300</u>
Total, All Industries	<u>4,454,900</u>	<u>4,520,700</u>	<u>4,565,800</u>	<u>4,151,000</u>	<u>4,320,700</u>

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The "Total, All Industries" data is not directly comparable to the employment data found in this Appendix D.

\* Preliminary through October 2021

Source: State of California Employment Development Department "Industry Employment & Labor Force – by Annual Average – March 2020 Benchmark."



The following table summarizes the labor force, employment and unemployment figures over the past five years and preliminary figures through August 2021 for Altadena, the County, the State and the United States as a whole.

**ALTADENA CDP, COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA AND UNITED STATES  
AVERAGE ANNUAL CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT**

<b><u>Year and Area</u></b>	<b><u>Labor Force</u></b>	<b><u>Employment<sup>(1)</sup></u></b>	<b><u>Unemployment</u></b>	<b><u>Unemployment Rate (%)</u></b>
<b>2017</b>				
Altadena CDP	23,900	23,000	900	3.6%
Los Angeles County	5,088,900	4,843,700	245,200	4.8
California	19,173,800	18,246,800	927,000	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
<b>2018</b>				
Altadena CDP	23,800	23,000	800	3.5%
Los Angeles County	5,094,300	4,857,300	237,000	4.7
California	19,263,900	18,442,400	821,500	4.3
United States	162,075,000	155,761,000	6,314,000	3.9
<b>2019</b>				
Altadena CDP	23,300	22,300	1,000	4.2%
Los Angeles County	5,122,800	4,888,600	234,300	4.6
California	19,353,700	18,550,500	803,200	4.2
United States	163,539,000	157,538,000	6,001,000	3.7
<b>2020</b>				
Altadena CDP	22,200	19,600	2,600	11.8%
Los Angeles County	4,921,500	4,291,700	629,800	12.8
California	18,821,200	16,913,100	1,908,100	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
<b>2021</b>				
Altadena CDP <sup>(2)</sup>				
Los Angeles County	5,027,300	4,632,800	394,500	7.8%
California	19,103,500	17,936,800	1,666,700	6.1
United States	162,167,000	152,283,000	9,883,000	6.1

<sup>(1)</sup> Data may not add due to rounding. The unemployment rate is calculated using unrounded data.

<sup>(2)</sup> Information not available for 2021.

Source: California Employment Development Department and U.S. Department of Labor, Bureau of Labor Statistics, October 2021 Preliminary, November 19, 2021, March 2020 Benchmark.

## Income

The following table summarizes personal income for the County for 2011 through 2020.

**PERSONAL INCOME  
LOS ANGELES COUNTY  
2011-2020  
(DOLLARS IN THOUSANDS)**

<u>Year</u>	<u>Los Angeles County</u>	<u>Annual Percentage Change</u>
2011	\$449,955,147	-
2012	482,151,715	7.2
2013	480,157,948	-0.4
2014	510,614,460	6.3
2015	544,243,722	6.5
2016	562,665,355	3.4
2017	580,826,819	3.2
2018	602,428,812	3.7
2019	631,161,849	4.8
2020	678,829,092	7.6

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for the County, California and the United States for 2011-2020. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

**PER CAPITA PERSONAL INCOME  
LOS ANGELES COUNTY, STATE OF CALIFORNIA AND THE UNITED STATES  
2011-2020**

<u>Year</u>	<u>Los Angeles County</u>	<u>California</u>	<u>United States</u>
2011	\$45,571	\$45,574	\$42,783
2012	48,548	48,154	44,614
2013	48,077	48,549	44,894
2014	50,891	51,332	47,017
2015	54,007	54,632	48,891
2016	55,738	56,667	49,812
2017	57,551	58,942	51,811
2018	59,874	61,663	54,098
2019	63,043	64,513	56,047
2020	68,272	70,192	59,510

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

**COUNTY OF LOS ANGELES  
PRINCIPAL EMPLOYERS  
FISCAL YEAR 2019-2020**

<u>Name of Company</u>	<u>Number of Employees</u>	<u>Product/Service</u>
County of Los Angeles	107,400	Government
Los Angeles Unified School District	104,300	Education
University of California, Los Angeles	65,600	Education
City of Los Angeles (including DWP)	61,900	Government
Federal Government (non-Defense)	43,600	Government
Kaiser Permanente	37,400	Hospital
State of California (non-education)	29,800	Government
University of Southern California	21,000	Education
Northrup Grumman Corp.	16,600	Aerospace and Defense
Providence Heath & Services	15,900	Hospital

Source: Southern California Association of Governments Comprehensive Annual Financial Report Year End June 30, 2020.

**COUNTY OF LOS ANGELES  
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS  
(IN THOUSANDS)  
2017 – 2020**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<i>Retail and Food Services</i>				
Motor Vehicle and Parts Dealers	\$ 18,564,127	\$ 18,935,860	\$ 18,954,469	\$ 18,534,326
Home Furnishings and Appliance Stores	7,608,577	7,536,953	7,308,501	6,608,482
Building Material, Garden Supplies	8,033,658	8,446,278	8,698,494	9,556,946
Food and Beverage Stores	6,922,445	7,106,527	7,255,360	7,650,294
Gasoline Stations	10,962,033	12,553,326	12,491,790	8,132,306
Clothing and Accessories Stores	11,554,711	12,258,409	12,536,982	9,498,705
General Merchandise	12,268,161	12,583,908	12,910,844	12,263,783
Food Services and Drinking Places	23,199,041	24,016,431	25,097,944	17,006,158
Other Retail Group	<u>15,185,802</u>	<u>15,707,357</u>	<u>17,190,290</u>	<u>24,164,972</u>
<b>Total Retail and Food Services</b>	<b>114,298,559</b>	<b>119,145,053</b>	<b>122,444,678</b>	<b>113,415,974</b>
All Other Outlets	<u>45,981,570</u>	<u>46,878,742</u>	<u>49,868,924</u>	<u>44,322,010</u>
<b>Total All Outlets</b>	<b><u>\$160,280,129</u></b>	<b><u>\$166,023,795</u></b>	<b><u>\$172,313,602</u></b>	<b><u>\$157,737,984</u></b>

Note: Detail may not compute to total due to rounding.

Source: California Department of Tax and Fee Administration, "Taxable Sales - Counties by Type of Business."

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated \_\_\_\_\_, 2022 (the “Disclosure Agreement”) is executed and delivered by Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (the “District”) and NBS (the “Dissemination Agent”) in connection with the issuance of \$\_\_\_\_\_ \* Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) 2022 Special Tax Bonds (the “Bonds”). The Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of \_\_\_\_\_ 1, 2022 (the “Fiscal Agent Agreement”), by and between the District and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”). The District covenants as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement 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 (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Library District” means the Altadena Library District.

“Disclosure Representative” shall mean the Library District Director or designee or such other officer or employee as the Library District Director shall designate in writing from time to time.

“Dissemination Agent” shall mean NBS, or any successor dissemination agent designated in writing by the Library District Director and which has filed with the District a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB.

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

“Library District” means the Altadena Library District.

“Listed Events” shall mean any of the events listed in Sections 5(a) and 5(b) of this Disclosure Agreement.

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\* Preliminary, subject to change.

“MSRB” shall mean the Municipal Securities Rulemaking Board and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

“Official Statement” shall mean the Official Statement relating to the Bonds dated \_\_\_\_\_, 2022.

“Participating Underwriter” shall mean Hilltop Securities Inc.

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

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

### SECTION 3. Provision of Annual Reports.

(a) The District shall, or, upon delivery of the Annual Report to the Dissemination Agent shall cause the Dissemination Agent to, not later than [March 1 of each year, commencing March 1, 2022], provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report 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 Agreement; provided that the audited financial statements of the District, if any are prepared, may be submitted separately from the balance of the Annual Report and later than the date required above for the filing 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(d). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the District and shall have no duty or obligation to review such Annual Report.

(b) Not later than five (5) days prior to the date for the filing of an Annual Report, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by five (5) days prior to such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to inquire if the District is in compliance with subsection (a).

(c) If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Dissemination Agent, in a timely manner, shall send a notice to the Repository in the form required by the Repository stating that the Annual Report has not been filed and, if provided by the District, the date the District anticipates the filing to be made.

(d) The Dissemination Agent shall:

(i) determine each year prior to date for providing the Annual Report the name and address of the Repository if other than the MSRB; and

(ii) file a report with the District certifying that the Annual Report has been provided to the Repository pursuant to this Disclosure Agreement and stating the date it was provided to the Repository.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Financial Statements. The audited financial statements of the District for the prior fiscal year, if any have been prepared and which, if prepared, shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided, however, that the District may, from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the District shall modify the basis upon which its financial statements are prepared, the District shall provide the information referenced in Section 8(b) below regarding such modification. The District does not currently prepare nor does it expect to prepare audited financial statements.

(b) Financial and Operating Data. The Annual Report shall contain or incorporate by reference the following:

(i) the principal amount of the Bonds outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Fiscal Agent Agreement and the Reserve Requirement as of the September 2 preceding the filing of the Annual Report;

(iii) an update to Table No. 1 in the Official Statement using the then current year's special tax levy;

(iv) an update to Table No. 2 in the Official Statement using the then current year's special tax levy;

(v) an update to Table No. 3 in the Official Statement using the most recently available County assessed values;

(vi) an update to Table No. 4 in the Official Statement using the then current year's special tax levy;

(vii) an update to Table No. 5 in the Official Statement using the then current year's special tax levy and the most recently available County assessed values;

(viii) an update to Table No. 6 in the Official Statement using the then current year's special tax levy and the most recently available County assessed values;

(ix) a table showing the total special taxes levied and the total special taxes collected for the prior fiscal year and the total special taxes that, as of December 31, remain unpaid for each prior fiscal year in which special taxes were levied and the number of delinquent parcels in the District;

(x) the status of any foreclosure actions being pursued by the District with respect to delinquent special taxes; and

(xi) any information not already included under (i) through (x) above that the District is required to file in its annual report pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, with the California Debt and Investment Advisory Commission.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to each of the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

In the event that the District shall modify the basis upon which its financial statements are prepared, the Dissemination Agent shall provide a notice of such modification to the Repository, including the information set forth in Section 8(b) below.

#### SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause the Dissemination Agent to give, notice to the Repository of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the occurrence of the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings; and
10. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the

obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the 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, if material, in a timely manner not more than ten (10) business days after the occurrence of such event:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
3. appointment of a successor or additional trustee or the change of the name of a trustee;
4. nonpayment related defaults;
5. modifications to the rights of Owners of the Bonds;
6. Bond calls;
7. release, substitution or sale of property securing repayment of the Bonds; and
8. incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under 5(b) above, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If a Listed Event under Section 5(a) has occurred, or if the District determines that knowledge of the occurrence of a Listed Event under 5(b) above would be material under applicable federal securities laws, the District shall file a notice of such Listed Event with the Repository in a timely manner not more than 10 business days after the event. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(6) need not be given under this section any earlier than the notice (if any) of the underlying event is given to Owners of affected Bonds pursuant to the Fiscal Agent Agreement.

(e) The District hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the District and that the Dissemination Agent shall not be responsible for determining



whether the District's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the District and the Fiscal Agent. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the District and shall have no duty to review any information provided to it by the District. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the District in a timely manner and in a form suitable for filing.

SECTION 8. Amendment; Waiver.

(a) Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(1) If the amendment or waiver related to the provisions of Sections 3(a), 4, or 5, 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;

(2) The undertaking hereunder, 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 execution and delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement 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.

(b) In the event of any amendment or waiver of a provision of this Disclosure Agreement, 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 is related 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(a), 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. Format of Filings with Repository. Any report or filing with the Repository pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the Repository.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation hereunder to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance and the District shall have no monetary liability to any person as a result of any failure to comply with the terms of this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. In performing its duties hereunder, the Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the District, the Owners, or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the District: Altadena Library District  
Community Facilities District No. 2020-1 (Facilities and Services)  
600 E. Mariposa St.  
Altadena, CA 91001  
Attention: Library District Director

To the Dissemination Agent: NBS  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure 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 16. Signatures. This Disclosure Agreement has been executed by the undersigned on the date hereof, and such signature by the District binds the District to the undertaking herein provided and such signature by the Dissemination Agent binds the Dissemination Agent to the terms hereof applicable to it.

ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)

By: \_\_\_\_\_

NBS, as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

## APPENDIX F

### DTC AND THE BOOK-ENTRY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the issuer of the Bonds (the “Issuer”) nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the “Agent”) take any responsibility for the information contained in this Appendix.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. 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](http://www.dtcc.com). The information contained on such Internet site is not incorporated herein by reference.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Issuer or Agent, 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, Agent, or Issuer, 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 Issuer or Agent, 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.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

§ \_\_\_\_\_  
**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2022

Board of Directors  
Altadena Library District  
Community Facilities District No. 2020-1  
600 E. Mariposa St.  
Altadena, CA 91001

Ladies and Gentlemen:

Hilltop Securities Inc. (the “**Underwriter**”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement with Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) (the “**Community Facilities District**”) which, upon acceptance, will be binding upon the Community Facilities District and the Underwriter. This offer is made subject to its acceptance by the Community Facilities District on the date hereof, and it is subject to withdrawal by the Underwriter upon notice delivered to the Community Facilities District at any time prior to the acceptance by the Community Facilities District. Capitalized terms that are used in this Bond Purchase Agreement and not otherwise defined herein shall have the respective meanings ascribed to them in the Fiscal Agent Agreement or the Official Statement (as each are hereinafter defined).

The Community Facilities District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the Community Facilities District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Community Facilities District, (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the Community Facilities District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the Community Facilities 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 Community Facilities District on other matters), (iii) the only obligations the Underwriter has to the Community Facilities District with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”), and (iv) the Community Facilities District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The Community Facilities District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule



G-17 of the MSRB. The Community Facilities District acknowledges that it has engaged Urban Futures, Inc. as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1), and will rely on the advice of Urban Futures, Inc. (the “**Municipal Advisor**”).

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 agrees to purchase from the Community Facilities District, and the Community Facilities District agrees to sell to the Underwriter, all (but not less than all) of the Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) 2022 Special Tax Bonds (the “**Bonds**”) in the aggregate principal amount specified in Exhibit A hereto. The Bonds shall be dated the Closing Date (as hereinafter defined), bear interest from said date (payable semiannually on March 1 and September 1 in each year, commencing March 1, 2022) at the rates per annum, and mature on the dates and in the amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be the amount specified as such in Exhibit A.

(b) The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable and be subject to redemption as provided in, Resolution No. \_\_\_\_, adopted by the Board of Directors (the “**Board**”) of the Altadena Library District (the “**Library District**”) on \_\_\_\_, 2022 (the “**Resolution of Issuance**”), and a Fiscal Agent Agreement, dated as of \_\_\_\_ 1, 2022 (the “**Fiscal Agent Agreement**”), by and between the Community Facilities District and U.S. Bank National Association, as the Fiscal Agent (the “**Fiscal Agent**”).

(c) The Underwriter has previously distributed to potential purchasers of the Bonds the Preliminary Official Statement for the Bonds, dated \_\_\_\_, 2022 (which Preliminary Official Statement, together with its cover page and all appendices thereto, is herein referred to as the “**Preliminary Official Statement**”). Such distribution of the Preliminary Official Statement by the Underwriter subsequent to its receipt of a certificate from the Community Facilities District deeming the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (“**Rule 15c2-12**”) is hereby ratified. The Community Facilities District hereby authorizes the Underwriter to use and distribute the final Official Statement for the Bonds dated the date hereof (including its cover page and all appendices thereto and as may be amended and supplemented from time to time pursuant to this Bond Purchase Agreement, the “**Official Statement**”), the Fiscal Agent Agreement, the Continuing Disclosure Agreement, dated the Closing Date (defined below), executed by the Community Facilities District and the dissemination agent named therein (the “**Continuing Disclosure Agreement**”), this Bond Purchase Agreement, any other documents or contracts to which the Community Facilities District is a party, and all information contained therein, and all other documents, certificates and statements furnished by the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement, in connection with the offer and sale of the Bonds by the Underwriter. The Underwriter hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Marketplace Access website of the MSRB on or before the Closing Date and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and Rule 15c2-12.

(d) At 8:30 A.M., California time, on \_\_\_\_, 2022, or at such earlier time or date as shall be agreed upon by the Underwriter and the Community Facilities District (such time and date being herein referred to as the “**Closing Date**”), the Community Facilities District will deliver

(i) through the facilities of The Depository Trust Company or to its agent, the Bonds in definitive form (all Bonds being in book-entry form registered in the name of Cede & Co. and having the CUSIP numbers assigned to them printed thereon), duly executed by the officers of the Library District, acting on behalf of the Community Facilities District, as provided in the Fiscal Agent Agreement, and (ii) to the Underwriter, at the San Diego, California offices of Best Best & Krieger LLP (“**Bond Counsel**”), the documents herein mentioned; and the Underwriter shall accept such delivery and pay the purchase price of the Bonds in same day funds (such delivery and payment being herein referred to as the “**Closing**”).

## 2. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Community Facilities District in establishing the issue price of the Bonds and shall execute and deliver to the Community Facilities District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Community Facilities 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 as otherwise set forth in Exhibit A attached hereto, the Community Facilities District 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 Bond Purchase Agreement, the Underwriter shall report to the Community Facilities District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Community Facilities District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Community Facilities District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Bond Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the Community Facilities District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Community Facilities District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

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

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

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

(e) The Community Facilities District acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue

price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires.

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

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

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

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

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

3. Representations, Warranties and Agreements of the Community Facilities District. The Community Facilities District represents, warrants and covenants to and agrees with the Underwriter that:

(a) The Library District was duly organized and is validly existing as a special district under the Constitution and laws of the State of California.

(b) The Board has duly adopted a resolution forming the Community Facilities District (the “**Resolution of Formation**”) and an ordinance authorizing the levy of a special tax on the taxable property within the Community Facilities District (the “**Special Tax Ordinance**”) and all other ordinances and resolutions referred to in the Resolution of Formation and the Special Tax Ordinance and has caused to be recorded in the real property records of the County of Los Angeles, a

Notice of Special Tax Lien (the “**Notice of Special Tax Lien**”) (such ordinances and resolutions and Notice of Special Tax Lien being collectively referred to herein as the “**Formation Documents**”). Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended.

(c) The Community Facilities District is duly organized and validly existing as a community facilities district under the laws of the State of California and has, or at the Closing Date will have, as the case may be, full legal right, power and authority (i) to execute, deliver and perform its obligations under this Bond Purchase Agreement, the Continuing Disclosure Agreement, and the Fiscal Agent Agreement and to carry out all transactions contemplated by each of such agreements, (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Fiscal Agent Agreement as provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Fiscal Agent Agreement, this Bond Purchase Agreement, the Resolution of Issuance, and the Continuing Disclosure Agreement (collectively the “**Community Facilities District Documents**”) and the Official Statement.

(d) The Community Facilities District has complied, and at the Closing Date will be in compliance, in all material respects, with the Community Facilities District Documents; and any immaterial non-compliance therewith by the Community Facilities District will not impair the ability of the Community Facilities District to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the Community Facilities District Documents.

(e) The Board has duly and validly: (i) taken or caused to be taken, all proceedings necessary under the Constitution and laws of the State of California in order to form the Community Facilities District to authorize the levy of a special tax (the “**Special Tax**”) on the taxable property within the Community Facilities District pursuant to the Rate and Method of Apportionment of Special Tax approved by the qualified electors within the Community Facilities District (the “**Rate and Method of Apportionment**”), to cause the Special Tax to be secured by a continuing lien on each parcel of Taxable Property (as defined in the Rate and Method of Apportionment) within the Community Facilities District and to authorize the sale and issuance of the Bonds, (ii) authorized and approved the execution and delivery of the Community Facilities District Documents, (iii) authorized the preparation and delivery of the Preliminary Official Statement and the Official Statement, and (iv) authorized and approved the performance by the Community Facilities District 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 contemplated by, each of the Community Facilities District Documents (including, without limitation, the collection of the Special Tax); and the Community Facilities District has been validly formed, the Special Tax has been approved and its levy authorized, and (assuming due authorization, execution and delivery by other parties thereto, where necessary) the Community Facilities District Documents and the Bonds will constitute the valid, legal and binding obligations of the Community Facilities District enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors’ rights in general and to the application of equitable principles.

(f) The Community Facilities District is not in breach of or default under any applicable law or administrative rule or regulation of the United States or the State of California, or of any department, division, agency or instrumentality of either of them, or under any applicable

court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the Bonds; 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 United States or the State of California, or of any department, division, agency or instrumentality of either of them, or under any applicable court or administrative decree or order, or a material breach of or default under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound.

(g) Except for compliance with the “Blue Sky” or other states securities law filings, as to which the Community Facilities District makes no representations, all approvals, consents, authorizations, elections and orders of or filings or registrations with any State governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations hereunder, or under the Community Facilities District Documents or the Bonds, have been obtained and are in full force and effect.

(h) The Special Tax has been duly and lawfully authorized and may be levied and collected under the laws of the State of California; and, when levied, the Special Tax will constitute a valid and legally binding continuing lien on the properties on which it is levied in accordance with the Rate and Method of Apportionment.

(i) Until the date which is twenty-five (25) days after the “end of the underwriting period” (as hereinafter defined), if any event shall occur of which the Community Facilities District becomes aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements in the Official Statement, in light of the circumstances existing at such time, not misleading, the Community Facilities District shall forthwith notify the Underwriter of such event and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary so that the statements therein, as so supplemented, will not be misleading in light of the circumstances existing at such time; and the Community Facilities District shall promptly furnish to the Underwriter a reasonable number of copies of such supplement (as used herein, the term “end of the underwriting period” means the later of such time as (i) the Community Facilities District delivers the Bonds to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public; and, unless the Underwriter delivers written notice to the contrary to the Community Facilities District prior to the Closing specifying another date to be deemed the “end of the underwriting period,” the “end of the underwriting period” shall be deemed to be the Closing Date).

(j) The Fiscal Agent Agreement creates a valid pledge of the Net Special Tax Revenues and the moneys in the Special Tax Fund established pursuant to the Fiscal Agent Agreement, including the investments thereof, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(k) Except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending or, to the knowledge of the Community Facilities District, threatened against the Community Facilities District (i) which would materially adversely affect the ability of the Community Facilities District to perform its obligations under the Community Facilities District Documents or the Bonds, or (ii) seeking to restrain or to enjoin: (A) the development of any of the land within the Community Facilities District, (B) the issuance, sale or delivery of the Bonds, (C) the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or (D) the collection or application of the Special Tax, or the pledge of the Net Special Tax Revenues, or in any way contesting or affecting the validity or enforceability of the Bonds, the Community Facilities District Documents, any tentative or final subdivision map or building permits applicable to property within the Community Facilities District, any other instruments relating to the development of any of the property within the Community Facilities District or any action contemplated by any of said documents, or (iii) in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers or authority of the Community Facilities District with respect to the Bonds, the Community Facilities District Documents, or any action of the Community Facilities District contemplated by any of said documents; nor is there any action pending or, to the knowledge of the Community Facilities District, threatened against the Community Facilities District which alleges that interest on the Bonds is not excludable from gross income for federal income tax purposes or is not exempt from California personal income taxation.

(l) The Community Facilities District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request 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 as the Underwriter may designate; provided, however, the Community Facilities District shall not be required to register as a dealer or a broker of securities or to consent to service of process in connection with any Blue Sky filing.

(m) Any certificate signed by any authorized official of the Library District or the Community Facilities District authorized to do so shall be deemed a representation and warranty to the Underwriter as to the statements made therein.

(n) The Community Facilities District will apply the proceeds of the Bonds in accordance with the Fiscal Agent Agreement and as described in the Official Statement.

(o) The Official Statement (except the information concerning the pricing of the Bonds supplied by the Underwriter, and the information relating to the DTC and its book-entry only system and the Underwriter, and in Appendix F, as to which no view need be expressed) is, as of the date thereof, and will be, as of the Closing Date, true, correct and complete in all material respects; and the Official Statement (except the portion thereof mentioned above, as to which no view need be expressed) does not, as of the date thereof, and will not, as of the Closing Date, 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 light of the circumstances under which they were made, not misleading.

(p) Based on a review of its prior undertakings and except as otherwise disclosed in the Preliminary Official Statement and Official Statement, neither the Library District nor the Community Facilities District has failed to comply in any material respect with any continuing

disclosure undertaking previously entered into pursuant to the provisions of Rule 15c2-12(b)(5) during the past five years.

(q) The Preliminary Official Statement heretofore delivered to the Underwriter has been deemed final by the Community Facilities District as of its date, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The Community Facilities District hereby covenants and agrees that, within seven (7) business days from the date hereof, or (upon reasonable written notice from the Underwriter) within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Community Facilities District shall cause a final printed form of the Official Statement to be delivered to the Underwriter in a quantity mutually agreed upon by the Underwriter and the Community Facilities District so that the Underwriter may comply with paragraph (b)(4) of Rule 15c2-12 and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

4. Conditions to the Obligations of the Underwriter. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the Community Facilities District contained herein, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the Community Facilities District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Community Facilities District of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

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

(b) The information contained in the Official Statement will, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant to Section 3(i) hereof, be true, correct and complete in all material respects and will not, as of the Closing Date or as of the date of any supplement or amendment thereto pursuant to Section 3(i) 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;

(c) Between the date hereof and the Closing Date, the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the Community Facilities 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 Congress of the United States of America or recommended to 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 House of Congress by any committee of such



House 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 or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest that would be received by the holders of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

(2) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, 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, or the Bonds, including any or all underlying arrangements, are not exempt from registration under, or from the other requirements of, the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under, or from the other requirements of, the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, or of the Bonds, including any or all underwriting arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

(3) any amendment to the federal or California Constitution or action by any federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Community Facilities District, its property, income, securities (or interest thereon), the validity or enforceability of the Special Tax or the ability of the Community Facilities District to construct or acquire the improvements as contemplated by the Community Facilities District Documents or the Official Statement or the right of any owner of the property within the Community Facilities District to develop such property in the manner described in the Official Statement;

(4) 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 Official Statement, or results in the Official Statement containing any untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

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

(6) the declaration of a general banking moratorium by federal, State of New York or State of California authorities; or

(7) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been

fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities Exchange Commission (the “SEC”) or any other governmental authority having jurisdiction; or

(8) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(9) the entry of an order by a court of competent jurisdiction which order, in the reasonable opinion of the Underwriter, materially and adversely affects proposed development of property within the Community Facilities District; or

(10) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(11) there shall have been any material adverse change in the affairs of the Community Facilities District or Library District that in the Underwriter’s reasonable judgment will materially adversely affect the market for the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

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

(13) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Bonds, including all the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act, and the Trust Indenture Act of 1939, as amended; or

(14) the commencement of any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body described in Section 3(k).

(d) On the Closing Date, the Underwriter shall have received counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) The Community Facilities District Documents, together with a certificate dated as of the Closing Date of the Secretary of the Board to the effect that each such document is a true, correct and complete copy of the one duly approved by the Board;

(2) The Official Statement, duly executed by the Community Facilities District;

(3) The opinion of Bond Counsel, dated the Closing Date and addressed to the Community Facilities District, in substantially the form attached to the Preliminary Official Statement as Appendix B, and a reliance letter from such firm, dated the Closing Date and addressed to the Underwriter, to the effect that such approving opinion addressed to the Community Facilities District may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

(4) The supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that (i) this Bond Purchase Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the Community Facilities District, and, assuming such documents constitute valid and binding obligations of the respective other parties thereto, constitute the legally valid and binding obligations of the Community Facilities District enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies and is subject to general principles of equity and to the exercise of judicial discretion in appropriate cases; (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement 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 "THE BONDS," "SECURITY FOR THE BONDS," and "TAX MATTERS," and in Appendices A, B and E, insofar as such statements expressly summarize certain provisions of the Bonds, the Fiscal Agent Agreement, the other agreements and the opinion of such firm concerning the exclusion from gross income for federal income tax purposes and exemption from State of California personal income taxes of interest on the Bonds, are accurate in all material respects;

(5) The letter of Best Best & Krieger LLP, as disclosure counsel to the Community Facilities District ("**Disclosure Counsel**") dated the Closing Date and addressed to the Community Facilities District and to the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the Community Facilities District, the Special Tax Consultant and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Official Statement as of its date and as of the Closing Date contained or 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 light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to: (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, assessed valuations or environmental matters contained in the Official Statement; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Official Statement; (v) any information incorporated by reference into the Official Statement; (vi) any information with respect to the underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "UNDERWRITING"; and (vii) information under the captions "TAX MATTERS" and "LEGAL MATTERS - Absence of Litigation");

(6) A certificate, dated the Closing Date and signed by an authorized representative of the Community Facilities District, ratifying the use and distribution by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds and certifying that (i) the representations and warranties of the Community Facilities District contained in Section 3 hereof 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 therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement; (ii) to the best of his or her knowledge, no event has occurred since the date of the Official Statement affecting the matters contained therein which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make the statements and information contained in the Official Statement not misleading in any material respect, and the Bonds and the Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement; and (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Community Facilities District Documents at or prior to the Closing Date;

(7) An opinion, dated the Closing Date and addressed to the Underwriter, of Best Best & Krieger LLP, General Counsel for the Library District, to the effect that (i) the Library District was duly organized and is validly existing as a special district under the Constitution and laws of the State of California, (ii) the Board adopted the resolutions and ordinances forming the Community Facilities District, confirming the Special Tax, approving the Community Facilities District Documents, authorizing the sale and issuance of the Bonds and authorizing the preparation, execution and delivery of the Preliminary Official Statement and the Official Statement at meetings of the Board which were held pursuant to law, (iii) after due inquiry, there are no actions, suits, proceedings, inquiries, or investigations, at law or in equity, before or by any court, governmental agency, public board, or body, pending or, to such counsel's current actual knowledge, threatened against the Library District or the Community Facilities District, for which the Library District or the Community Facilities District has been served, to restrain or enjoin the issuance of the Bonds, the collection or application of the Special Tax, or the payment of principal of and interest on the Bonds, or in any way contesting the validity of the Bonds or the Community Facilities District Documents, and (iv) to such counsel's current actual knowledge, without conducting an independent investigation, the information contained in the Official Statement (except for the financial statements and other financial, statistical or engineering data or forecasts, numbers, charts, estimates, projections, assumptions, or expressions of opinion, any information about valuation, appraisals, absorption, archeological or environmental matters, the Appendices thereto, or any information about The Depository Trust Company or the book-entry-only system, as to which no view need be expressed) is correct in all material respects and does not contain any untrue or misleading statement of a material fact or omit a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(8) A certificate, dated the Closing Date, NBS (the "**Special Tax Consultant**") to the effect that (i) the Special Tax, if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment on Developed Property, less the Administrative Expense Requirement, will generate in each Fiscal Year at least 110% of the debt service payable with respect to the Bonds in the Bond Year that begins in such Fiscal Year; (ii) all information appearing in the Official Statement for the Special Tax Consultant is identified as being the source is true and correct as of the date of the Official Statement and as of the Closing Date; and (iii) the statements concerning the Rate and Method of Apportionment and the statistical and financial data set forth in the tables and discussion in the Official Statement which were derived from information

supplied by the Special Tax Consultant for use in the Official Statement under the captions “THE DISTRICT - Rate and Method of Apportionment,” and Appendix C - “RATE AND METHOD OF APPORTIONMENT FOR ALTADENA LIBRARY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2020-1 (FACILITIES AND SERVICES),” and to the best of their knowledge, after due inquiry under the captions “SECURITY FOR THE BONDS - Special Taxes,” “THE DISTRICT – Development Summary and Special Taxes,” “- Property Assessed Values,” “- Estimated Total Valuation of Developed Taxable Property Within the District,” and “- Top Taxpayers” are true, correct and complete in all material respects and do 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 light of the circumstances under which they were made, not misleading and no events or occurrences have been ascertained by the Special Tax Consultant or have come to its attention that would substantially change such information set forth in the Official Statement as of the Closing Date;

(9) A certificate of U.S. Bank National Association, dated the Closing Date, in form and substance reasonably acceptable to the Underwriter;

(10) An opinion, dated the Closing Date and addressed to the Underwriter and the Community Facilities District, of counsel to U.S. Bank National Association in form and substance acceptable to the Community Facilities District and the Underwriter;

(11) An opinion, dated the date of the Closing, from Kutak Rock LLP, counsel to the Underwriter, addressed to the Underwriter in form and substance acceptable to the Underwriter;

(12) Specimen Bonds;

(13) Evidence that Internal Revenue Service Form 8038-G has been executed by the Library District on behalf of the Community Facilities District and will be filed with the Internal Revenue Service; and

(14) 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 statements and information contained in the Preliminary Official Statement and the Official Statement, of the Community Facilities District’s representations and warranties contained herein, and the due performance or satisfaction by the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District in connection with the transactions contemplated hereby and by the Official Statement.

If the Community Facilities District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Bond 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 Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Community Facilities District shall be under any further obligation hereunder, except that the respective obligations of the Community Facilities District and the Underwriter set forth in Section 6 hereof shall continue in full force and effect.

5. Conditions of the Community Facilities District's Obligations. The Community Facilities District's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder, and are also subject to the following conditions:

(a) As of the Closing Date, no litigation shall be pending or, to the knowledge of the duly authorized officer of the Community Facilities District executing the certificate referred to in Section 4(d)(6) hereof, threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds or the Community Facilities District Documents or the existence or powers of the Community Facilities District; and

(b) As of the Closing Date, the Community Facilities District shall receive the opinions referred to in Section 4(d)(3) and (5) hereof.

6. Expenses. Whether or not the Bonds are delivered to the Underwriter as set forth herein:

(a) The Underwriter shall be under no obligation to pay, and the Community Facilities District shall pay or cause to be paid (out of any legally available funds of the Community Facilities District) all expenses incident to the performance of the Community Facilities District's obligations hereunder, including, but not limited to, the cost of preparing and delivering the Bonds to DTC, the cost of preparation, printing, distributing and delivering of the Fiscal Agent Agreement, the Preliminary Official Statement, the Official Statement and all other agreements and documents contemplated hereby (and drafts of any thereof) in such reasonable quantities as requested by the Underwriter; and the fees and disbursements of the Fiscal Agent, Bond Counsel, Disclosure Counsel and any financial advisors, special tax consultants, accountants, engineers or any other experts or consultants the Community Facilities District retained in connection with the Bonds; and

(b) The Community Facilities District shall be under no obligation to pay, and the Underwriter shall pay, any fees of the California Debt and Investment Advisory Commission, the cost of preparation of any "Blue Sky" or legal investment memoranda and this Bond Purchase Agreement; expenses to qualify the Bonds for sale under any "Blue Sky" or other state securities laws; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of its counsel and any advertising expenses. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

(c) Notices. Any notice or other communication to be given to the Community Facilities District under this Bond Purchase Agreement may be given by delivering the same in writing to the Community Facilities District in care of Altadena Library District at the address shown on page one hereof; and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Hilltop Securities Inc., 2533 South Coast Highway 101, Suite 250, Cardiff by the Sea, California 92007, Attention: Public Finance.

(d) Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Community Facilities District and the Underwriter (including its successors or assigns), and no other person shall acquire or have any right hereunder or by virtue hereof.

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

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

8. No Prior Agreements. This Bond Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Community Facilities District.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

9. Governing Law. This Bond Purchase Agreement shall be governed by the laws of the State of California.

10. Counterparts. This Bond Purchase Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Very truly yours,

**HILLTOP SECURITIES INC.**

By: \_\_\_\_\_  
Managing Director

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

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT  
NO. 2020-1 (FACILITIES AND SERVICES)**

By: \_\_\_\_\_  
Authorized Officer

Time of Execution: \_\_\_\_\_ p.m. California time

**[EXECUTION PAGE OF BOND PURCHASE AGREEMENT - ALTADENA  
LIBRARY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2020-1 (FACILITIES  
AND SERVICES) 2022 SPECIAL TAX BONDS]**



**EXHIBIT A**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_  
**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule (marked if used)</u>
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
20__ <sup>(T)</sup>							
20__ <sup>(T)</sup>							

<sup>(T)</sup> Term Bond.

<sup>(C)</sup> Priced to optional call at [par] on September 1, 20\_\_.

\* At the time of execution of this Bond Purchase Agreement and assuming orders are confirmed immediately after the execution of this Bond Purchase Agreement.

The purchase price of the Bonds shall be \$\_\_\_\_\_, which is the principal amount of the Bonds, plus a net original issue premium of \$\_\_\_\_\_ and less Underwriter's discount of \$\_\_\_\_\_.

**EXHIBIT B**

\$ \_\_\_\_\_

**ALTADENA LIBRARY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
(FACILITIES AND SERVICES)  
2022 SPECIAL TAX BONDS**

**FORM OF ISSUE PRICE CERTIFICATE**

[TO COME FROM BOND COUNSEL]