

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 4, 2022

NEW ISSUE —BOOK-ENTRY-ONLY

RATING: S&P: “AA-”

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

In the opinion of Best Best & Krieger, LLP, Riverside, 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 Series 2022 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 Series 2022 Bonds is exempt from California personal income tax. See “TAX MATTERS” herein.

\$21,125,000*

**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 “Series 2022 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 March 1, 2022 (the “Fiscal Agent Agreement”), by and between the District, and U.S. Bank Trust Company, National Association, as fiscal agent. The Series 2022 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 Series 2022 Bonds will be used to (i) finance public improvements authorized to be funded by the District, (ii) fund capitalized interest on the Series 2022 Bonds through September 1, 2022, and (iii) pay costs of issuing the Series 2022 Bonds. See “SOURCES AND USES OF BOND PROCEEDS” herein. No reserve fund is being established for the Series 2022 Bonds.

Interest on the Series 2022 Bonds is payable on March 1 and September 1 of each year, commencing September 1, 2022. The Series 2022 Bonds represent the first series of special tax bonds issued for the Library District, and the issuance of additional parity bonds in the future is contemplated with the issuance subject to the conditions set forth in the Fiscal Agent Agreement. See “SECURITY FOR THE BONDS – Future Parity Bonds.” Initial purchases of beneficial interests in the Series 2022 Bonds will be made in book-entry form and the Series 2022 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 Series 2022 Bonds will not receive certificates representing their interests in the Series 2022 Bonds and will not be paid directly by the Fiscal Agent. See “APPENDIX F — DTC AND THE BOOK-ENTRY SYSTEM.”

The Series 2022 Bonds are subject to 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 SERIES 2022 BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE SERIES 2022 BONDS. THE SERIES 2022 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 Series 2022 Bonds when due. The purchase of the Series 2022 Bonds involves significant risks, and the Series 2022 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 Series 2022 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 Series 2022 Bonds.

The Series 2022 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, Riverside, California, Bond Counsel, and certain other conditions. Certain matters will be passed upon for Underwriter by Kutak Rock LLP, 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, Riverside, California, as Disclosure Counsel and for the Fiscal Agent by Dorsey & Whitney LLP, Costa Mesa, California. Delivery of the Series 2022 Bonds through the facilities of DTC is expected to occur on or about March 3, 2022.



Dated: _____, 2022.

* 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.

\$21,125,000*
ALTADENA LIBRARY DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2020-1
(FACILITIES AND SERVICES)
2022 SPECIAL TAX BONDS

MATURITY SCHEDULE

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†] No.</u>
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					

\$ _____ % Term Bonds due September 1, 20__; Yield: ____%; Price: ____%; CUSIP[†]: ____

\$ _____ % Term Bonds due September 1, 20__; Yield: ____%; Price: ____%; CUSIP[†]: ____

\$ _____ % Term Bonds due September 1, 20__; Yield: ____%; Price: ____%; CUSIP[†]: ____

* Preliminary, subject to change.

[†] 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 Series 2022 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 Series 2022 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2022 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 Series 2022 Bonds.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Rule 15c2-12. For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (“Rule 15c2-12”), this Preliminary Official Statement constitutes an “official statement” of the District with respect to the Series 2022 Bonds that has been deemed “final” by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

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 Series 2022 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, deemed final by the District, 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 Series 2022 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 Series 2022 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 Series 2022 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 Series 2022 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 overallot or take other steps that stabilize or maintain the market price of the Series 2022 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 Series 2022 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.

Series 2022 Bonds are Exempt from Securities Laws Registration. The Series 2022 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 SERIES 2022 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
Riverside, California

MUNICIPAL ADVISOR

Urban Futures, Inc.
Tustin, California

SPECIAL TAX CONSULTANT AND DISSEMINATION AGENT

NBS
Temecula, California

FISCAL AGENT

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

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\$21,125,000*
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 Series 2022 Bonds. The sale and delivery of the Series 2022 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 \$21,125,000* aggregate principal amount of Altadena Library District Community Facilities District No. 2020-1 (Facilities and Services) 2022 Special Tax Bonds (the “Series 2022 Bonds”). The Series 2022 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 March 1, 2022 (the “Fiscal Agent Agreement”), by and between the District, and U.S. Bank Trust Company, 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 Series 2022 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 Series 2022 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 Series 2022 Bonds will be used to (i) finance public improvements authorized to be funded by the District, (ii) fund capitalized interest on the Series 2022 Bonds through September 1, 2022, and (iii) pay costs of issuing the Series 2022 Bonds. See “SOURCES AND USES OF BOND PROCEEDS” herein.

* 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 43,320 according to the California Department of Finance, Demographic Research Unit, as of January 1, 2021.

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.” 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 Series 2022 Bonds. If a property owner is delinquent in the payment of the Special Taxes levied on

its property, there is no requirement for the District 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 Series 2022 Bonds.

The aggregate value of the property for Fiscal Year 2021-22, based on County assessed values as of January 1, 2021, is \$7,538,275,555. 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 August 1, 2021 is \$80,142,510*, as adjusted to include the par amount of the Series 2022 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 Series 2022 Bonds. When such overlapping indebtedness is combined with the Series 2022 Bonds, the average value-to-lien ratio within the District is 94.06:1*. 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 Series 2022 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 Series 2022 Bonds

Limited Obligations. The Series 2022 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. The Series 2022 Bonds and any Parity Bonds, including Parity Refunding Obligations are not general or special obligations of the County 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. 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 Series 2022 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 “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

* Preliminary, subject to change.

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 \$25,000, with an annual increase of 2% per year, 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 Series 2022 Bonds. In the event that the Net Special Tax Revenues are not sufficient to pay the scheduled debt service on the Series 2022 Bonds, the only sources of funds available to pay the debt service on the Series 2022 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.”

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.

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 Series 2022 Bonds will depend on actual tax collections.

No Reserve Fund

No reserve fund is being established for the Series 2022 Bonds.

Parity Bonds

The maximum authorized indebtedness for the District is \$24,000,000. The Series 2022 Bonds represent the first series of special tax bonds issued under such authorization and the District may issue additional bonds secured by Special Tax Revenues on parity with the Series 2022 Bonds in the future. Following the issuance of the Series 2022 Bonds in the amount of \$21,125,000*, the remaining authorized amount of indebtedness to be issued is \$2,875,000*. So long as the Series 2022 Bonds are outstanding, any future bonds issued for the District and secured on parity with the Series 2022 Bonds are required to meet certain conditions of issuance as set forth in the Fiscal Agent Agreement, and no bonds having a lien senior to the lien of the Series 2022 Bonds are allowed. See “SECURITY FOR THE BONDS – Future Parity Bonds.”

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 Series 2022 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 Series 2022 Bonds. The Series 2022 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 Series 2022 Bonds is not a general debt, liability or obligation of the Library District or the District.

Description of the Series 2022 Bonds

The Series 2022 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 Series 2022 Bonds will be payable on each March 1 and September 1 each year, beginning September 1, 2022.

The Series 2022 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 Series 2022 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

* Preliminary, subject to change.

described herein. Beneficial Owners will not be entitled to receive physical delivery of the Series 2022 Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Series 2022 Bonds, the Series 2022 Bonds will be registered and transferred in accordance with the Fiscal Agent Agreement. See “THE BONDS — Description of the Series 2022 Bonds” and “APPENDIX F — DTC AND THE BOOK-ENTRY SYSTEM” herein.

Principal of, premium, if any, and interest on the Series 2022 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 Series 2022 Bonds, the Beneficial Owners will become the registered owners of the Series 2022 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 Series 2022 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 Series 2022 Bonds.*

The Series 2022 Bonds are subject to optional redemption and mandatory sinking fund redemption as described herein. For more complete descriptions of the Series 2022 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 Series 2022 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 Series 2022 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 Series 2022 Bonds. For a more complete discussion of such opinion and certain other tax consequences incident to the ownership of the Series 2022 Bonds, including certain exceptions to the tax treatment of interest, see “TAX MATTERS.”

Professionals Involved in the Offering

U.S. Bank Trust Company, 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 Series 2022 Bonds are subject to the approval of Best Best & Krieger LLP, Riverside, 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, Riverside, California, Disclosure Counsel. Other professional services related to the Series 2022 Bonds have been performed by Urban Futures, Inc., Tustin, California, as the District and the Library District’s Municipal Advisor, by NBS, Temecula, California, as Special Tax Consultant and by Kutak Rock LLP, Los Angeles, California, as counsel to the Underwriter.

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 Series 2022 Bonds and will apply them as follows:

Sources of Funds

Principal Amount of Series 2022 Bonds	\$ _____
[Plus/Less Net] Original Issue [Premium/Discount]	
Underwriter’s Discount	
Total Net Proceeds	\$ _____

Uses of Funds

Costs of Issuance Fund ⁽¹⁾	
Capitalized Interest Account ⁽²⁾	
Project Fund	
Total	\$ _____

⁽¹⁾ To be used to pay costs of issuance of the Series 2022 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.

⁽²⁾ To be used to pay interest on the Bonds through September 1, 2022.

PLAN OF FINANCE

A portion of the proceeds of the Series 2022 Bonds will be 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 a portion of Series 2022 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 Series 2022 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 includes 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 Series 2022 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 SERIES 2022 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 Series 2022 Bonds will be issued pursuant to the Act, the Resolution of Issuance, and the Fiscal Agent Agreement. The Series 2022 Bonds are the first series of special tax bonds issued for the District, and Parity Bonds may be issued in the future.

Description of the Series 2022 Bonds

The Series 2022 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 Series 2022 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 Series 2022 Bonds. The Series 2022 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 the Series 2022 Bonds will not receive physical certificates representing their interest in the Series 2022 Bonds. So long as the Series 2022 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 Series 2022 Bonds. See “APPENDIX F — DTC AND THE BOOK-ENTRY SYSTEM.”

Interest on the Series 2022 Bonds will be payable semiannually on September 1 and March 1 of each year, commencing September 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 Series 2022 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 Series 2022 Bonds; provided, however, that if at the time of authentication of a Series 2022 Bond, interest is in default, interest on that Series 2022 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 Series 2022 Bond will be paid to the person whose name appears in the Registration Books maintained by the Fiscal Agent as the Owner of such Series 2022 Bond as of the close of business on the applicable Record Date. Principal of the Series 2022 Bonds due at maturity or upon prior redemption, and any premium due upon redemption, is payable upon presentation and surrender of the Series 2022 Bonds at the principal corporate trust office of the Fiscal Agent in Los Angeles, California.

The Series 2022 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 Series 2022 Bonds. Ownership interests in the Series 2022 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 Series 2022 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 Series 2022 Bonds are not held in book-entry form, interest on the Series 2022 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 Series 2022 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*

Optional Redemption. The Series 2022 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 Series 2022 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 Series 2022 Bonds maturing on September 1, 20__ are term bonds (“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__

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

The Series 2022 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:

* Preliminary, subject to change.

TERM BONDS MATURING SEPTEMBER 1, 20__

Redemption Date (September 1)	Sinking Payment
20__	\$ _____
20__	
20__	
20__	
20__ (maturity)	

The Series 2022 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:

Redemption Date (September 1)	Sinking Payment
20__	\$ _____
20__	
20__	
20__	
20__ (maturity)	

In the event of a partial optional 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 Series 2022 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 the 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 Series 2022 Bonds, assuming no optional redemption of the Series 2022 Bonds, but including mandatory sinking payment redemptions.

<u>Year Ending</u> <u>(September 1)</u>	<u>Principal</u> \$ _____	<u>Interest</u> \$ _____	<u>Total</u> \$ _____
Total	\$ _____	\$ _____	\$ _____

SECURITY FOR THE SERIES 2022 BONDS

Limited Obligations

The Series 2022 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. See “-Special Taxes” 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 \$25,000, with an annual increase of 2% per year, 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.”

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 Series 2022 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 Series 2022 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, 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.

(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 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 Series 2022 Bonds when due. See “SPECIAL RISK FACTORS — Levy and Collection of the Special Taxes — Factors that Could Lead to Special Tax Deficiencies.”

Parity Bonds

Refunding. 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 Series 2022 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 Series 2022 Bonds when combined with the Debt Service on the Parity Refunding Obligations following the issuance of such Parity Refunding Obligations.

Future Parity Bonds. The District may at any time after the issuance and delivery of the Series 2022 Bonds issue Parity Bonds payable from Net Special Tax Revenues and other amounts deposited in the funds and accounts created under the Supplemental Agreement (other than in the Rebate Fund and the Administrative Expense Fund) and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued under the Fiscal Agent Agreement or under any Supplemental Agreement.

The aggregate principal amount of the Series 2022 Bonds and all Parity Bonds issued may not exceed \$24,000,000; provided, however, that, notwithstanding the foregoing Parity Bonds may be issued at any time to refund Outstanding Bonds where the issuance of such Parity Bonds results in a reduction of Annual Debt Service on all Outstanding Bonds.

The District expects that it will, by a Supplemental Agreement, authorize the issuance of one or more additional series of Bonds (previously defined as the “Parity Bonds”) payable from Special Taxes and secured by the Special Tax Revenues on a parity with the Series 2022 Bonds upon compliance by the District with the conditions set forth in the Fiscal Agent Agreement. Prior to the issuance of any Parity Bonds, the District must deliver amongst other things, the Fiscal Agent, the following:

- (i) A copy of the Supplemental Agreement authorizing the issuance of such Parity Bonds;

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

(iii) A certificate of an Authorized Representative containing such statements as may be reasonably necessary to show compliance with the requirements of the Fiscal Agent Agreement;

(iv) A certificate of an Authorized Representative certifying that the District has received a certificate from a Special Tax Consultant which, when taken together, certify that (1) the amount of the maximum Special Taxes that may be levied pursuant to the Special Tax RMA in each remaining Bond Year based only on the Taxable Property (as such term is defined in the Special Tax RMA) existing as of the date of such certificate is at least 1.10 times Annual Debt Service for each remaining Bond Year on all Outstanding Bonds theretofore issued and the Parity Bonds proposed to be issued and the Assessment Indebtedness, provided, however, that shall be excluded from such calculation the Special Taxes on any parcel then delinquent in the payment of Special Taxes; and provided further that, for purposes of making the certifications required by this subsection, the Special Tax Consultant may rely on reports or certificates of such other persons as may be acceptable to the District, Bond Counsel and the underwriter of the proposed Parity Bond;

(v) Such further documents, money and securities as are required by the provisions of this Agreement and the Supplemental Agreement providing for the issuance of such Parity Bonds; and

(vi) Such other provisions as are necessary or appropriate and not inconsistent with the Fiscal Agent Agreement.

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, the 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 an 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. 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. 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 43,320 according to the California Department of Finance, Demographic Research Unit, as of January 1, 2021.

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 Series 2022 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. Under the Rate and Method, the Special Tax may not be prepaid.

“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> ⁽¹⁾	<u>Fiscal Year 2021-22 Number of Parcels</u> ⁽²⁾	<u>Fiscal Year 2021-22 Building Square Footage</u> ⁽²⁾	<u>Fiscal Year 2021-22 Units</u> ⁽²⁾	<u>Fiscal Year 2021-22 Maximum Special Tax</u> ⁽³⁾	<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
Totals	14,273	21,078,952	3,064	\$2,564,299	100.00%

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ 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⁽³⁾**

<u>Property Type</u> ⁽¹⁾	<u>Fiscal Year 2021-22 Maximum Special Tax</u> ⁽²⁾	<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
Totals	\$2,564,299	100.00%	\$7,538,275,555

⁽¹⁾ 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.

⁽²⁾ Does not account for up to \$187,000 in special tax exemptions on Very Low-Income Property.

⁽³⁾ Per the Los Angeles County Assessor's roll data for Fiscal Year 2021-22, with a January 1 valuation date. Assessed value does not reflect any changes made to the valuation after July 2021 as a result of assessment appeal, correction or any other changes.

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
PROPERTY TAX COLLECTIONS**

<u>Fiscal Year</u>	<u>Collections</u> ⁽¹⁾	<u>Fiscal Year</u>	<u>Collections</u> ⁽¹⁾
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
2015-16	98.6	2020-21	98.2

⁽¹⁾ Collections within fiscal year of levy.

Source: County of Los Angeles Comprehensive Annual Financial Report Fiscal Year 2020-21.

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 February 1, 2022 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 \$80,142,510* of direct and overlapping tax and assessment debt, including the Series 2022 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 174 parcels 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 such date. The PACE financing program was developed to assist homeowners in obtaining funds for

* Preliminary, subject to change.

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.

**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 2021-22 Assessed Valuation: \$7,538,275,555 Land and Improvements

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 2/1/22</u>
Metropolitan Water District	0.218%	\$ 58,431
Pasadena Area Community College District	7.240	4,247,112
Pasadena Unified School District	15.122	50,646,967
Los Angeles County Community Facilities District No. 7	100.	3,775,000
Los Angeles County Improvement District No. 2661	100.	290,000
Altadena Library District Community Facilities District No. 2020-1	100.	<u>21,125,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$80,142,510</u>
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations	0.417%	\$11,664,998
Los Angeles County Superintendent of Schools Certificates of Participation	0.417	16,576
Pasadena Area Community College District Certificates of Participation	7.240	2,083,919
Pasadena Unified School District Qualified Zone Academy Bonds	15.122	50,405
Los Angeles County Sanitation District No. 17 Authority	98.621	<u>122,292</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>\$13,938,190</u>
COMBINED TOTAL DEBT		\$94,080,700 ⁽¹⁾

⁽¹⁾ Includes issue to be sold.

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

Ratios to Fiscal Year 2021-22 Assessed Valuation:

Direct Debt (\$0)	0.28%
Total Direct and Overlapping Tax and Assessment Debt.....	1.06%
Combined Total Debt.....	1.25%

Source: California Municipal Statistics.

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 Series 2022 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⁽¹⁾**

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

⁽¹⁾ Includes all property within the boundary of the CFD, including Exempt Property.

⁽²⁾ Per the Los Angeles County Assessor's roll data for each Fiscal Year, with a January 1 valuation date. Assessed value does not reflect any changes made to valuation after July of each Fiscal year 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> ⁽¹⁾	<u>Property Type</u> ⁽²⁾	<u>Fiscal Year 2021-22 Number of Parcels</u> ⁽³⁾	<u>Fiscal Year 2021-22 Building Square Footage</u> ⁽³⁾	<u>Fiscal Year 2021-22 Units</u> ⁽³⁾	<u>Fiscal Year 2021-22 Maximum Special Tax</u> ⁽⁴⁾	<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>
Totals		14,273	21,078,952	3,064	\$2,564,299	100.00%

(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 Series 2022 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⁽¹⁾</u>	<u>% of Maximum Special Tax</u>	<u>Assessed Value⁽²⁾</u>	<u>Share of Bonds^{(3)*}</u>	<u>Other Overlapping Tax and Assessment Debt⁽⁴⁾</u>	<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	\$ 555,236	\$ 555,236	386.85:1
Below 3:1	1	170	0.01	76,721	1,397	32,792	34,190	2.24:1
3:1 to 4.99:1	-	-	0.00	-	-	-	-	N/A
5:1 to 9.99:1	7	8,893	0.35	1,432,817	73,264	90,721	163,986	8.74:1
10:1 to 19.99:1	43	17,018	0.66	5,710,040	140,198	214,473	354,671	16.10:1
20:1 to 29.99:1	196	48,515	1.89	25,469,887	399,672	558,280	957,952	26.59:1
Above 30:1	<u>13,325</u>	<u>2,489,703</u>	<u>97.09</u>	<u>7,290,790,694</u>	<u>20,510,468</u>	<u>57,566,008</u>	<u>78,076,476</u>	<u>93.38:1</u>
Totals	14,273	\$2,564,299	100.00%	\$7,538,275,555	\$21,125,000	\$59,017,510	\$80,142,510	94.06:1

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

⁽²⁾ 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.

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

⁽⁴⁾ Per overlapping debt statement data provided by California Municipal Statistics dated February 1, 2022.

* Preliminary, subject to change.

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 Series 2022 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 Series 2022 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 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 Series 2022 Bonds if Special Tax collections are delinquent or insufficient for such purposes 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 Series 2022 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 Series 2022 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 Series 2022 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 within the District’s boundaries. Since mid-March 2020, based on guidance and directives from the State and public health agencies, the County and Altadena 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. The Library District received approximately 25,000 of Emergency Connectivity Funding from the Federal Communications Commission to purchase laptops, hotspots and hotspot services for use during calendar year 2021.

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. The Library District has a security awareness program in place to train and test employees on cybersecurity issues. The Library District also has a business continuity plan in the event of a cyberattack. 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.

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 174 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.

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 Series 2022 Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the Series 2022 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 Series 2022 Bonds were to be includable in gross income for purposes of federal income taxation, the Series 2022 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 Series 2022 Bonds. Prospective purchasers of the Series 2022 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 XIII C and XIII D 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 XIII C 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 XIII C 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 Series 2022 Bonds or, if a secondary market exists, that any Series 2022 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 Series 2022 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 Series 2022 Bonds for audit examination, or the course or result of any Internal Revenue Service audit or examination of the Series 2022 Bonds or obligations that present similar tax issues as the Series 2022 Bonds.

TAX MATTERS

In the opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Series 2022 Bonds is exempt from State of California personal income tax. Bond Counsel notes that interest on the Series 2022 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 Series 2022 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 Series 2022 Bonds to assure that interest on the Series 2022 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 Series 2022 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022 Bonds. The District will covenant in the Fiscal Agent Agreement and the tax certificate to be delivered in connection with the issuance of the Series 2022 Bonds to comply with all such requirements.

Should the interest on the Series 2022 Bonds become includable in gross income for federal income tax purposes, the Series 2022 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 Series 2022 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 Series 2022 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 Series 2022 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 Series 2022 Bonds. Prospective purchasers of the Series 2022 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 Series 2022 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 Series 2022 Bonds is excluded from gross income for federal income tax purposes provided the District continues to comply with certain requirements of the Code, the accrual or receipt of interest on the Series 2022 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 Series 2022 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, 2023. 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 Series 2022 Bonds on behalf of the District.

LEGAL MATTERS

Absence of Litigation

At the time of delivery of and payment for the Series 2022 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 Series 2022 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 Series 2022 Bonds, or in any way contesting or affecting the validity or enforceability of the Series 2022 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 Series 2022 Bonds

Certain legal matters incident to the authorization and issuance of the Series 2022 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 Series 2022 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. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, Los Angeles, California. The various legal opinions to be delivered concurrently with the delivery of the Series 2022 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 Series 2022 Bonds

S&P has assigned a rating of “AA-” to the Series 2022 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 Series 2022 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 Series 2022 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 Series 2022 Bonds are being purchased by Hilltop Securities Inc. (the “Underwriter”). The Underwriter has agreed to purchase the Series 2022 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 Series 2022 Bonds provides that the Underwriter will purchase all of the Series 2022 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 Series 2022 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 Series 2022 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.

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 Series 2022 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: _____
Nikki Winslow, Library District Director

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APPENDIX A

SUMMARY OF FISCAL AGENT AGREEMENT

The following is a summary of certain provisions of the Fiscal Agent Agreement not otherwise described in the text of this Limited Offering Memorandum. This summary is not intended to be definitive, and reference is made to the text of the Fiscal Agent Agreement for the complete provisions thereof.

DEFINITIONS

Unless the context otherwise requires, the terms defined in the Fiscal Agent Agreement (“Agreement”) shall, for all purposes of the Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document in the Agreement mentioned, have the meanings specified therein. All references in the Agreement to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to the Agreement as a whole and not to any particular Article, Section or subdivision thereof.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.

“Administrative Expenses” means the expenses directly related to the administration of the Library 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 the Agreement; the costs of the Library 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, or any designee thereof of complying with Library 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 Library 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. Administrative Expenses shall also include Delinquency Collection Expenses.

“Administrative Expense Fund” means the fund by that name established and held by the Library District to pay Administrative 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 the Fiscal Agent Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions of the Agreement.

“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 Library District, or any other person designated in writing by the Library District Director and authorized to act on behalf of the Library District under or with respect to the Agreement and all other agreements related thereto.

“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.

“Bond Owner” 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 Series 2022 Bonds and any Parity Bonds authorized and issued by and at any time Outstanding pursuant to the 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 the September 1 following the Delivery Date.

“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 the Agreement.

“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 Library District and the costs of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with the 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 Library District and the issuance of the Bonds, to the extent such fees and expenses are approved by the Library District.

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

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

“Debt Service Fund” means the fund by that name established pursuant to the Agreement.

“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 Library District incurred by or on behalf of the Library 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 each Series of 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 Library District discontinues use of the Depository pursuant to the 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 Trust Company, National Association as Fiscal Agent under the 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 Library District, and who, or each of whom -

1. is in fact independent and not under domination of the Library District;
2. does not have any substantial interest, direct or indirect, in the Library District; and
3. is not an officer or employee of 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.

“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 Library 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 Library 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 Library 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 of the Agreement;
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 of the Agreement; 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 Bonds” means Bonds hereinafter issued which are secured by and payable from an irrevocable first lien upon the Net Special Tax Revenues which lien is on a parity with the lien securing the Series 2022 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)

3. Consolidated system-wide bonds and notes

C. Federal Home Loan Banks (FHL Banks)

4. Consolidated debt obligations

D. Federal National Mortgage Association (FNMA)

5. Senior debt obligations

6. 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 Library 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 Library 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 Library 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 Library 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 Library 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 Library 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

7. 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 Library 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

8. 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 Library 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

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

10. 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 Library 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 the 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, 24th Floor, Los Angeles, California 90071 or such other offices as may be specified to the Library 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 Trust Company, National Association in St. Paul, Minnesota or such other address specified by the Fiscal Agent to the Library 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 of the Agreement.

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

“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 of the Agreement.

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

“Regulations” means the regulations promulgated under the Code.

“Resolution of Formation” means Resolution No. 2020-08 of the Board of Trustees of the Library District forming and establishing the Library 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 Library District may designate in writing to the Fiscal Agent.

“Series” means any series of the Bonds issued pursuant to the Agreement.

“Series 2022 Bonds” means \$_____ Altadena Library District Community Facilities District 2020-1 (Facilities and Services) 2022 Special Tax Bonds.

“Special Tax” means the Special Tax authorized to be levied in the Library 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 Library District and who, or each of whom –

1. is in fact independent and not under domination of the Library District;
2. does not have any substantial interest, direct or indirect, in 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 of the Agreement.

“Special Tax Revenues” means (a) the proceeds of the Special Tax levied by the Library 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 Library 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 under the Agreement.

“Tax Certificate” means the certificate delivered by the Library 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 Series 2022 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

“Parity Bonds” means bonds issued by the Library District pursuant to the Agreement.

**ISSUANCE OF BONDS; APPLICATION OF PROCEEDS; SPECIAL TAX
FUND; DEBT SERVICE FUND; ADMINISTRATIVE EXPENSE FUND;
COSTS OF ISSUANCE FUND**

Establishment of Special Funds

The following funds and accounts identified in the Agreement are established and shall be maintained by the Fiscal Agent:

- A. Special Tax Fund;
- B. Administrative Expense Fund
- C. 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;
- D. Rebate Fund;
- E. Redemption Fund;
- F. Project Fund; and
- G. Costs of Issuance Fund.

The Library 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. Additionally, the Library District may, pursuant to a Supplemental Agreement, from an Authorized Representative, direct the Fiscal Agent to establish such other accounts or sub-accounts, as necessary to administer the Series 2022 Bonds and the proceeds of the Series 2022 Bonds.

Special Tax Fund

A. After the Library 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 Library 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.

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 Library District for deposit in the Administrative Expense Fund the amounts specified in such request to pay those Administrative Expenses which the Library 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 Library 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 Library District and used for any lawful purpose under the Act.

Administrative Expense Fund

The Administrative Expense Fund will be established to deposit and disburse monies for administrative expenses.

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 the Agreement

Costs of Issuance Fund

The Fiscal Agent shall, upon receipt of a payment request in the form set forth in Exhibit B thereto 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.

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 thereto 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 Library 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 the Fiscal Agent Agreement. 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.

Rebate Fund

The Library 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 the 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 the 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.

Redemption Fund

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

Investment of Funds

Monies in the Special Tax Fund, the Debt Service Fund, the Rebate Fund, the Redemption Fund and the Project Fund shall, be invested pursuant to terms of the Agreement.

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 the Agreement.

OTHER COVENANTS OF THE LIBRARY DISTRICT

Punctual Payment

The Library District will punctually pay or cause to be paid the principal of and interest and any premium on the Bonds when and as due in strict conformity with the terms of the Agreement and any Supplemental Agreement to the extent that the Special Tax Revenues are available therefor, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Agreement and all Supplemental Agreements and of the Bonds.

Special Obligation

The Bonds are special obligations of the Library District and are payable solely from and secured solely by the Special Tax Revenues (except the amount which will be deposited in the Administrative Expense fund each Fiscal Year) and the amounts in the Redemption Fund and the Special Tax Fund.

Extension of Time for Payment

In order to prevent any accumulation of claims for interest after maturity, the Library District shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Library District, such claim for interest so extended or funded shall not be entitled, in case of default, to the benefits of the Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Against Encumbrances

The Library District shall not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien created for the benefit of the Bonds, except as permitted by the Agreement.

Books and Accounts

The Library District shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Library District in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Administrative Expense Fund. Such books of record and accounts shall at all times during business hours, upon reasonable notice, be subject to the inspection of the Owners of not less than sixty percent (60%) of the aggregate principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Protection of Security and Rights of Owners

The Library District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the Library District, the Bonds shall be incontestable by the Library District.

Collection of Special Tax Revenues

The Library District shall comply with all requirements of the Act, including the enactment of necessary Ordinances, so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of the payment or collection of delinquent Special Taxes.

On or within five (5) Business Days of June 1 of each year, the Fiscal Agent shall provide the Library District with a notice stating the amount then on deposit in the Special Tax Fund and the Redemption Fund (including all accounts and sub-accounts), the monthly statements provided by the Fiscal Agent shall satisfy this notice requirement. The receipt of such notice by the Library District or the failure of the Fiscal Agent to give such notice shall in no way affect the obligations of the Library District under the following two paragraphs. The Fiscal Agent shall have no liability if it does not provide such notice to the Library District. Upon receipt of such notice, the Library District shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current Fiscal Year.

The Library District shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Act by August 10 of each year (or such later date as may be authorized by the Act or any amendment thereof) that the Bonds are Outstanding, such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the tax roll for the Fiscal Year then beginning. Upon the completion of the computation of the amounts of the levy of the Special Taxes, the Library District shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the tax roll. Notwithstanding the preceding provisions of this paragraph, the Library District Legislative Body may elect, as permitted by the Act, to collect the Special Taxes to be levied for any Fiscal Year directly from the owners of the parcels of taxable property upon which the Special Taxes are levied rather than by transmitting the Special Taxes to the Auditor for collection on the tax roll; provided that, in such event, the Library District shall otherwise comply with the provisions of the Agreement.

The Library District shall fix and levy the amount of Special Taxes within the District required for the payment of the principal of and interest on any Outstanding Bonds becoming due and payable during the ensuing calendar year, and the amount estimated to be sufficient to pay the Administrative

Expenses during such calendar year. The Special Taxes so levied shall not exceed the authorized amounts the District as provided in the proceedings for the establishment of the District.

The Special Taxes shall be payable and be collected (except in the event of judicial foreclosure proceedings pursuant to the Agreement) in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property.

The Library District will not, in collecting the Special Taxes or in processing any such judicial foreclosure proceedings, exercise any authority which it has pursuant to Sections 53340, 53344.1, 53356.1 and 53356.5 of the California Government Code in any manner which would materially and adversely affect the interests of the Owners and, in particular, will not permit the tender of Bonds in full or partial payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant certifying that to accept such tender will not result in the Library District having insufficient Special Tax Revenues to pay the principal of and interest on the Bonds and remaining Outstanding following such tender.

Levy of Special Taxes for Administrative Expenses

The Library District covenants that, to the extent that it is legally permitted to do so, (a) it will levy the Special Taxes for the payment of the Administrative Expenses which are expected to be incurred in each Fiscal Year, and (b) it will not initiate proceedings under the Act to reduce the Maximum Special Tax rates (the "Maximum Rates") on then existing Developed Property below the amounts which are necessary to provide Special Tax Revenues in an amount equal to estimated Administrative Expenses for the then current Fiscal Year plus an amount equal to one hundred ten percent (110%) of Maximum Annual Debt Service on the Outstanding Bonds. For purposes of this Section, "Developed Property" has the meaning set forth in the Rate and Method of Apportionment.

The Library District further covenants that in the event an ordinance is adopted by initiative pursuant to Section 3 of Article XIII C of the California Constitution, which purports to reduce or otherwise alter the Maximum Rates, it will commence and pursue legal action seeking to preserve its ability to comply with its covenant contained in Agreement.

Further Assurances

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

Tax Covenants

The Library District covenants that:

(A) It will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of the initial issuance and delivery of the Bonds which are issued as tax-exempt bonds, would have caused any of the Bonds which are issued as tax-exempt bonds to be "arbitrage bonds" within the meaning of Section 103(b) and Section 148 of the Code;

(B) It will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Bonds which are issued as tax-exempt bonds, would result in loss of exclusion from gross income for purposes of federal income taxation under Section 103(a) of the Code of interest paid with respect to the Bonds which are issued as tax-exempt bonds;

(C) It will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Bonds which are issued as tax-exempt bonds, would have caused any of the Bonds which are issued as tax-exempt bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(D) It will comply with the Rebate Certificate as a source of guidance for achieving compliance with the Code; and

(E) In order to maintain the exclusion from gross income for purposes of federal income taxation of interest paid with respect to the Bond which are issued as tax-exempt bonds, it will comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code.

The covenants of the Library District contained in the Agreement shall survive the payment, redemption or defeasance of Bonds pursuant to the Agreement.

Covenant to Foreclose

Pursuant to Section 53356.1 of the California Government Code, the Library District covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, judicial foreclosure proceedings against 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.

Continuing Disclosure

The Library District covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

Accountability Measures

The Library District shall comply with the requirements of Section 53410 of the California Government Code with respect to the deposit and expenditure of the Proceeds of the sale of the Bonds and shall cause the appropriate officer of the Library District to file a report with the Library District

Legislative Body no later than March 1, 2022, and annually thereafter, which shall contain the information required by Section 53411 of the California Government Code with respect to the expenditure of the Proceeds.

State Reporting Requirements

The following requirements shall apply to the Bonds:

(A) Annual Reporting. Not later than October 30 of each calendar year, beginning with the October 30 first succeeding the date of the 2022 Bonds, and in each calendar year thereafter until the October 30 following the final maturity of the Bonds, the Finance Director shall cause the information required by California Government Code Section 53359.5(b) to be supplied to CDIAC. The annual reporting shall be made using such form or forms as may be prescribed by CDIAC.

(B) Other Reporting. If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds due to insufficiency of funds on deposit in the Redemption Fund, the Fiscal Agent shall notify the Library District Director of such failure or withdrawal in writing. The Library District Director shall notify CDIAC and the Underwriters of such failure or withdrawal within 10 days of such failure or withdrawal.

(C) Special Tax Reporting. The Library District Director shall file a report with the District no later than the January 1 first succeeding the date of the Series 2022 Bonds, and at least once a year thereafter, which annual report shall contain: (i) the amount of Special Taxes collected and expended with respect to the District, (ii) the amount of Bond proceeds collected and expended with respect to the District, and (iii) the status of the Library District Project. It is acknowledged that the annual report described in the preceding sentence is intended to satisfy the requirements of Sections 50075.1(d), 50075.3(d) and 53411 of the California Government Code.

(D) Compliance with Section 53343.2. The Library District shall comply with the provisions of California Government Code Section 53343.2, which require the District, within seven months after the last day of each fiscal year, to display prominently on its Internet Web site all of the following information:

(i) A copy of an annual report for that fiscal year if requested pursuant to Section 53343.1; and

(ii) A copy of the report provided to the California Debt and Investment Advisory Commission pursuant to Section 53359.5.

(E) Amendment. The reporting requirements of the Agreement shall be amended from time to time, without action by the District or the Fiscal Agent (i) with respect to subparagraphs (A) and (B) above, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act, (ii) with respect to subparagraph (C) above, to reflect any amendments to Section 50075.1, 50075.3, 53410 or 53411 of the California Government Code and (iii) with respect to subparagraph (D) above, to reflect any amendments to Section 53343.2. Notwithstanding the foregoing, any such amendment shall not, in itself, affect the District's obligations under the Continuing Disclosure Certificate. The Library District shall notify the Fiscal Agent in writing of any such amendments which affect the reporting obligations of the Fiscal Agent under the Agreement.

(F) No Liability. None of the Library District and its officers, agents and employees, the Finance Director or the Fiscal Agent shall be liable for any inadvertent error in reporting the information required by the Agreement.

The Library District Director shall provide copies of any such reports to any Owner upon the written request of an Owner and payment by the person requesting the information of the cost of the Library District to photocopy and pay any postage or other delivery cost to provide the same, as determined by the Library District Director.

INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE LIBRARY DISTRICT

Deposit and Investment of Moneys in Funds

Subject in all respects to the provisions of the Agreement, moneys in any fund or account created or established by the Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall hold funds uninvested. The Fiscal Agent shall not have any responsibility for determining the legality of any Permitted Investments. The Fiscal Agent shall have no obligation to pay additional interest or maximize investment income on any funds held by it. Neither the Library District nor the Owners of the Bonds shall have any claim of any kind against the Fiscal Agent in connection with investments properly made pursuant to the agreement. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, subject, however, to the requirements of the Agreement for transfer of Investment Earnings in funds and accounts.

The Fiscal Agent and its affiliates may act as sponsor, advisor, depository, principal or agent in the holding, acquisition or disposition of any investment. The Fiscal Agent shall not incur any liability for losses arising from any investments made pursuant to the Agreement. For purposes of determining the amount on deposit in any fund or account held under the Agreement, all Permitted Investments or investments credited to such fund or account shall be valued at the cost thereof (excluding accrued interest and brokerage commissions, if any).

Subject in all respects to the provisions of the Agreement, investments in any and all funds and accounts may be commingled in a single fund for purposes of making, holding and disposing of investments, notwithstanding provisions in the Agreement, for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent, provided that the Fiscal Agent shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Agreement.

The Fiscal Agent shall sell or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited, and the Fiscal Agent shall not be liable or responsible for any loss resulting from the acquisition or disposition of any such investment security in accordance with the Agreement.

The Library District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Library District the right to receive brokerage confirmations of securities transactions as they occur, the Library District for itself specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent shall furnish the Library

District periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent.

The Fiscal Agent may make any investments through its own bond or investment department or trust investment department, or those of its parent or any affiliate.

Rebate Fund; Rebate to the United States

There is created, to be held by the Fiscal Agent, as a separate account distinct from all other funds and accounts held by the Fiscal Agent under the Agreement, the Rebate Fund. The Fiscal Agent shall, in accordance with written directions received from an Authorized Officer, deposit into the Rebate Fund moneys transferred by the Library District to the Fiscal Agent pursuant to the Rebate Certificate or moneys transferred by the Fiscal Agent from the Reserve Fund. The Rebate Fund shall be held either uninvested or invested only in Federal Securities at the written direction of the Library District. Moneys on deposit in the Rebate Fund shall be applied only to payments made to the United States, to the extent such payments are required. The Fiscal Agent shall, upon written request and direction of the Library District, make such payments to the United States.

The Fiscal Agent may rely conclusively upon the Library District's determinations, calculations and certifications required by this Section. The Fiscal Agent shall have no responsibility to independently make any calculation or determination or to review the Library District's calculations. The Fiscal Agent's sole responsibilities under the Agreement are to follow the written instructions of the Library District. The Library District shall be responsible for any fees and expenses incurred by the Fiscal Agent pursuant to the Agreement.

The Fiscal Agent shall, upon written request and direction from the Library District, transfer to or upon the order of the Library District any moneys on deposit in the Rebate Fund in excess of the amount, if any, required to be maintained or held therein in accordance with the Rebate Certificate.

Liability of Library District

The Library District shall not incur any responsibility in respect of the Bonds or the Agreement other than in connection with the duties or obligations explicitly in the Agreement or in the Bonds assigned to or imposed upon it. The Library District shall not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful default. The Library District shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Fiscal Agent or of any of the documents executed by the Fiscal Agent in connection with the Bonds.

In the absence of bad faith, the Library District may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Library District and conforming to the requirements of the Agreement. The Library District shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of the Agreement shall require the Library District to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Special Tax Revenues) in the performance of any of its obligations under the Agreement, or in the exercise of and of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Library District may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Library District may consult with counsel, who may be counsel to the Library District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance with the Agreement.

Whenever in the administration of its duties under the Agreement the Library District shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Agreement, such matter (unless other evidence in respect thereof be specifically prescribed in the Agreement) may, in the absence of willful misconduct on the part of the Library District, be deemed to be conclusively proved and established by a certificate of the Fiscal Agent, and such certificate shall be full warranty to the Library District for any action taken or suffered under the provisions of the Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Library District may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Employment of Agents by Library District

In order to perform its duties and obligations under the Agreement, the Library District may employ such persons or entities as it deems necessary or advisable. The Library District shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

THE FISCAL AGENT

Appointment of Fiscal Agent

U.S. Bank Trust Company, National Association is appointed Fiscal Agent, registrar and paying agent for the Bonds. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in the Agreement, and no implied covenants or obligations shall be read into the Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the Agreement, shall be the successor to the Fiscal Agent without the execution or filing of any paper or any further act.

The Library District may at any time at its sole discretion remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank, national banking association, corporation or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank, national banking association, corporation or trust company 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 combined capital and surplus of such bank, national banking association 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 Library District and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the Library District shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the Agreement within forty-five (45) days after the Fiscal Agent shall have given to the Library 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 Library 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.

Liability of Fiscal Agent

The recitals of facts, covenants and agreements in the Agreement and in the Bonds contained shall be taken as statements, covenants and agreements of the Library District and the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of the Agreement or of the Bonds, nor shall the Fiscal Agent incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Agreement or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful misconduct. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of the Agreement. Except as provided in the Agreement, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by the Fiscal Agent unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of the Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Agreement, or in the exercise of any of its rights or powers.

The Fiscal Agent shall not be responsible for accounting for, or paying to, any party to the Agreement, including, but not limited to the Library District and the Owners, any returns on or benefit from funds held for payment of unredeemed Bonds or outstanding checks and no calculation of the same shall affect, or result in any offset against, fees due to the Fiscal Agent under the Agreement.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by the Agreement at the request or direction of any of the Owners pursuant to the Agreement unless such

Owners shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the owner of the Bonds with the same rights it would have if it were not the Fiscal Agent.

All indemnification and releases from liability granted in the Agreement to the Fiscal Agent shall extend to the directors, officers and employees of the Fiscal Agent.

The permissive right of the Fiscal Agent to do things enumerated in the Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

The Fiscal Agent may execute any of the duties or powers and perform the duties required of it under the Agreement by or through attorneys, agents, affiliates, or receivers, and shall be entitled to advice of counsel concerning all matters of its duty under the Agreement, and the Fiscal Agent shall not be answerable for any willful misconduct or negligence on the part of any attorney, agent or receiver selected by it with reasonable care.

Information

The Fiscal Agent shall provide to the Library District such information relating to the Bonds and the funds and accounts maintained by the Fiscal Agent under the Agreement as the Library District shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent.

Notice to Fiscal Agent

The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the Library District, with regard to legal questions, and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Fiscal Agent under the Agreement in good faith and in accordance with the Agreement.

Whenever in the administration of its duties under the Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Agreement, such matter (unless other evidence in respect thereof be specifically prescribed) may, in the absence of willful misconduct on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a certificate of the Library District, and such certificate shall be full warranty to the Fiscal Agent for any action taken or suffered under the provisions of the Agreement or any Supplemental 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 as to it may seem reasonable.

Compensation, Indemnification

The Library District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under the Agreement, and also all reasonable expenses, charges, fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under the Agreement, and the Fiscal Agent shall have a first priority lien therefor on any funds at any time held by it in the Administrative Expense Fund, and the Fiscal Agent

shall pay and reimburse all expenses, charges, fees and other disbursements, including those of its attorneys, agents and employees, from the funds held by it in the Administrative Expense Fund. The Library District further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents, harmless against any liabilities, costs, claims, expenses or charges of any kind whatsoever (including fees and expenses of its attorneys) which it may incur in the exercise and performance of its powers and duties under the Agreement which are not due to its negligence or willful misconduct. The obligation of the Library District under the Agreement shall survive resignation or removal of the Fiscal Agent under the Agreement and payment of the Bonds and discharge of the Agreement.

Books and Accounts

The Fiscal Agent shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions made by it to the expenditure of amounts disbursed from the Bond Fund, the Special Tax Fund, the Administrative Expense Fund, the Reserve Fund and the Costs of Issuance Fund. Such books of record and accounts shall, upon reasonable notice, at all times during business hours be subject to the inspection of the Library District and the Owners of not less than ten percent (10%) of the aggregate principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

MODIFICATION OR AMENDMENT OF THE AGREEMENT

Amendments Permitted

(A) The Agreement and the rights and obligations of the Library District and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Agreement pursuant to the affirmative vote at a meeting of the Owners, or with the written consent, without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Agreement. No such modification or amendment shall (i) extend the maturity of any Bond or the time for paying interest thereon, or otherwise alter or impair the obligation of the Library District on behalf of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation of any pledge of or lien upon the Special Tax Revenues, or the moneys on deposit in the Special Tax Fund (excluding the Interest Account therein) or the Bond Fund, superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Agreement), (iii) reduce the percentage of Bonds required for the amendment, or (iv) reduce the principal amount of or redemption premium on any Bond or reduce the interest rate thereon. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent. The Fiscal Agent shall be furnished an opinion of counsel that any such Supplemental Agreement entered into by the Library District and the Fiscal Agent complies with the provisions of the Agreement and the Fiscal Agent may conclusively rely on such opinion.

(B) The Agreement and the rights and obligations of the District and the Library District and the Owners may also be modified or amended at any time by a Supplemental Agreement, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Library District in the Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power reserved to or conferred upon the Library District;

(2) to make modifications not adversely affecting any Outstanding series of Bonds of the District in any material respect;

(3) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions of the Agreement, or in regard to questions arising under the Agreement, as the Library District and the Fiscal Agent may deem necessary or desirable and not inconsistent with the Agreement, and which shall not adversely affect the rights of the Owners;

(4) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of moneys to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds which are issued as tax-exempt bonds or to conform with the Regulations; or

(5) to provide for the issuance of Parity Bonds pursuant to the Agreement.

Owners' Meetings

The Library District may at any time call a meeting of the Owners. In such event, the Library District is authorized to fix the time and place of any such meeting and to provide for the giving of notice thereof and to fix and adopt rules and regulations for the conduct of the meeting.

Procedure for Amendment with Written Consent of Owners

The Library District and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bonds or of the Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by the Agreement, to take effect when and as provided in the Agreement. A copy of the Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, postage prepaid, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of the Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as provided in the Agreement.

Such a Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in the Agreement) and a notice shall have been mailed as provided in the Agreement. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by the Agreement. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice, as required by the Agreement, has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the Library District shall mail a notice to the Owners in the manner provided in Agreement for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in the Agreement (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the documents required by the Agreement to be filed

with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise specifically provided in the Agreement) upon the Library District, the District and the Owners of all Bonds then Outstanding at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60)-day period.

Disqualified Bonds

Bonds owned or held for the account of the Library District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in the Agreement, and shall not be entitled to vote upon, consent to, or participate in any action provided for in the Agreement. Upon request of the Fiscal Agent, the Library District shall specify to the Fiscal Agent those Bonds disqualified pursuant to the Agreement and the Fiscal Agent may conclusively rely on such certificate.

Effect of Supplemental Agreement

From and after the time any Supplemental Agreement becomes effective pursuant to the Agreement, the Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Agreement of the Library District and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced under the Agreement, subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of the Agreement for any and all purposes.

Endorsement or Replacement of Bonds Issued After Amendments

The Library District may determine that Bonds issued and delivered after the effective date of any action taken as provided in the Agreement shall bear a notation, by endorsement or otherwise, in form approved by the Library District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and upon presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the Library District may select and designate for that purpose, a suitable notation shall be made on such Bond. The Library District may determine that new Bonds, so modified as in the opinion of the Library District is necessary to conform to such action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for like Bonds then Outstanding, upon surrender of such Bonds.

Amendatory Endorsement of Bonds

The provisions of the Agreement shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

MISCELLANEOUS

Discharge of Agreement.

If the Library District shall pay and discharge the indebtedness on all or a portion (a "Partial Discharge") of the Outstanding Bonds in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of and interest and any premium on such Bonds, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, at or before maturity, an amount of money which, together with the amounts then on deposit in the Redemption Fund (including all accounts therein), or the Special Tax Fund, or in the event of a Partial Discharge, the appropriate portion of such amounts, as determined by the Library District, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums, if any; or

(C) by irrevocably depositing with the Fiscal Agent, cash or non-callable Defeasance Securities in such amount as the Library District shall determine, as confirmed by an Independent Financial Consultant, will, together with the interest to accrue thereon and amounts then on deposit in the Bond Fund (including all accounts therein) or the Special Tax Fund, or in the event of a Partial Discharge, the appropriate portion of such amounts, as determined by the Library District and confirmed by an Independent Financial Consultant, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates; and

(D) if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in the Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the Library District, and notwithstanding that any such Bonds shall not have been surrendered for payment, the pledge of the Special Tax Revenues and other funds provided for in the Agreement and all other obligations of the Library District and the District under the Agreement with respect to such Bonds shall cease and terminate, except the obligation of the Library District to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon, the obligation of the Library District to pay all amounts owing to the Fiscal Agent pursuant to the Agreement, and the obligations of the Library District pursuant to the covenants contained in the Agreement; and thereafter Special Taxes shall not be payable to the Fiscal Agent. Notice of such election shall be filed with the Fiscal Agent. The satisfaction and discharge of the Agreement as to all of the Outstanding Bonds shall be without prejudice to the rights of the Fiscal Agent to charge and be reimbursed by the Library District for the expenses which it shall thereafter incur in connection with the Agreement.

Any funds held by the Fiscal Agent to pay and discharge the indebtedness on such Bonds, upon payment of all fees and expenses of the Fiscal Agent, which are not required for such purpose, shall be paid over to the Library District.

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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. 2021-11 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 March 1, 2022 (the “Fiscal Agent Agreement”), by and between the District and U.S. Bank Trust Company, 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**

(As of January 1)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Altadena	45,236	45,146	44,850	44,571	43,320
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 and E-5 Population and Housing Estimates for Cities, Counties, and the State, 2010-2021.

United States Census Bureau (www.census.gov).

Major Industries in the County

The following table lists the municipal industries located in the County as of June 30, 2021.

**COUNTY OF LOS ANGELES
TEN LARGEST INDUSTRIES
JUNE 30, 2021**

<u>Industry</u>	<u>Number of Employees</u>	<u>Percentage of Total</u>
Educational & Health Services	839,300	19.91%
Trade, Transportation and Utilities	804,600	19.09
Professional & Business Services	598,800	14.21
Government	558,700	13.26
Leisure & Hospitality	438,300	10.40
Manufacturing	306,900	7.28
Financial Activities	209,300	4.97
Information	177,000	4.20
Construction	148,100	3.51
Other Services	127,100	3.02
Ten largest industries	4,208,100	99.85
All other industries	<u>6,400</u>	<u>0.15</u>
Total industries	<u>4,214,500</u>	<u>100.00%</u>

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, 2021.

<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 November 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	5,084,300
Civilian Employment	4,853,800	4,896,500	4,986,700	4,291,700	4,722,100
Civilian Unemployment	242,700	239,800	208,000	629,800	362,200
Civilian Unemployment Rate	4.8%	4.7%	4.0%	12.8%	7.1%
Total Farm	5,700	4,600	4,400	4,400	4,400
Total Nonfarm	4,449,200	4,516,100	4,561,500	4,561,500	4,368,000
Total Private	3,863,100	3,925,500	3,974,600	3,581,000	3,794,400
Goods Producing	491,100	490,800	492,500	460,900	459,800
Mining, Logging and Construction	140,800	148,200	151,800	147,200	150,700
Mining and Logging	2,000	1,900	1,900	1,700	1,600
Construction	138,700	146,300	149,800	145,500	149,100
Manufacturing	350,400	342,600	340,700	313,800	309,100
Service Providing	3,958,100	4,025,300	4,069,000	3,685,800	3,908,200
Trade, Transportation & Utilities	845,700	851,600	851,400	787,300	848,500
Wholesale Trade	221,500	223,200	220,500	200,100	205,800
Retail Trade	426,100	424,800	417,900	378,600	411,300
Transportation, Warehousing & Utilities	198,200	203,600	213,000	208,600	231,400
Utilities	11,500	11,500	12,000	12,500	12,800
Information	214,900	216,400	217,900	185,800	191,600
Financial Activities	221,600	223,200	223,500	211,500	208,800
Professional & Business Services	612,100	630,400	643,900	593,300	628,000
Educational & Health Services	797,400	817,900	839,900	820,900	862,700
Leisure & Hospitality	524,600	536,500	547,200	394,400	463,300
Other Services	155,700	158,800	158,400	127,000	131,700
Government	<u>586,100</u>	<u>589,600</u>	<u>586,900</u>	<u>565,600</u>	<u>573,600</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>4,372,400</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 November 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**

<u>Year and Area</u>	<u>Labor Force</u>	<u>Employment⁽¹⁾</u>	<u>Unemployment</u>	<u>Unemployment Rate (%)</u>
2017				
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
2018				
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
2019				
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
2020				
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
2021				
Altadena CDP ⁽²⁾	n/a	n/a	n/a	n/a
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

⁽¹⁾ Data may not add due to rounding. The unemployment rate is calculated using unrounded data.

⁽²⁾ 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>
Total Retail and Food Services	114,298,559	119,145,053	122,444,678	113,415,974
All Other Outlets	<u>45,981,570</u>	<u>46,878,742</u>	<u>49,868,924</u>	<u>44,322,010</u>
Total All Outlets	<u>\$160,280,129</u>	<u>\$166,023,795</u>	<u>\$172,313,602</u>	<u>\$157,737,984</u>

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 March __, 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 \$21,125,000* 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 March 1, 2022 (the “Fiscal Agent Agreement”), by and between the District and U.S. Bank Trust Company, 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.

* 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, 2023, 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. 5 in the Official Statement using the then current year's special tax levy and the most recently available County assessed values;

(vi) 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;

(vii) 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;

(viii) the status of any foreclosure actions being pursued by the District with respect to delinquent special taxes; and

(ix) any information not already included under (i) through (viii) 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

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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. 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.

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