

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 5, 2022

CAO File No. 0220-05291-1108

Council File No.

Council District: 7

To: The City Council
The Mayor

From: Matthew W. Szabo, City Administrative Officer



Reference: Infrastructure Financing for Community Facilities District No. 8

Subject: **COMMUNITY FACILITIES DISTRICT NO. 8 (LEGENDS AT CASCADES) SPECIAL TAX REFUNDING BONDS, SERIES 2022 – AUTHORIZING RESOLUTION AND OTHER ACTIONS NECESSARY TO ISSUE MELLO-ROOS BONDS THROUGH A PRIVATE PLACEMENT WITH BANK OF THE WEST**

RECOMMENDATIONS

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

1. ADOPT the attached Resolution which authorizes the issuance of the City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022, and approve the execution and delivery of various bond documents, including a First Supplemental Indenture, Escrow Agreement, and other matters related thereto; and,
2. AUTHORIZE the City Administrative Officer to make technical changes and adjustments as necessary to those transactions in this report and to implement the intent of the Mayor and the City Council.

SUMMARY

The Office of the City Administrative Officer (CAO) recommends approval of the attached Resolution (Attachment A) that incorporates various documents required for the issuance and sale of up to \$5.485 million of Mello-Roos special tax refunding bonds for Community Facilities District No. 8 (Legends at Cascades) (CFD 8 or the District), to be referred to as the Refunding Series 2022 Bonds. The Refunding Series 2022 Bonds will be issued through a private placement with Bank of the West (BOTW), with Piper Sandler and Co. (Piper) serving as the placement agent.

The Refunding Series 2022 Bonds are being issued to achieve interest rate savings, subject to the refunding parameters in the City's Debt Management Policy. The potential net present value savings relative to the Refunding Series 2022 Bonds is approximately \$1.8 million, or 32.6 percent of the refunded par. The purpose of this proposed refunding is to take advantage of market

conditions and reduce the special tax levied on property owners within the CFD 8. This proposed refunding is expected to generate estimated savings per household of \$591 annually. The estimated total savings over the life of the bonds per household is \$10,051.

Mello-Roos bonds issued for community facilities districts are limited obligations secured solely by special taxes paid by the property owners within the districts. Mello-Roos bonds are not secured by City revenues, are not part of the City's debt service to revenues calculation, and are entirely separate credits from the City.

FISCAL IMPACT STATEMENT

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

FINANCIAL POLICIES STATEMENT

Consistent with the City's Financial Policies, all consultant and City costs associated with the issuance of bonds are paid by the District through the levy and collection of special taxes for this purpose. Additionally, consistent with the City's Mello-Roos and Assessment Financing Policies, the District and Mello-Roos Bonds exceed the City's value-to-lien requirement, will not exceed the City's maximum tax burden threshold of two percent of assessed value on property annually, comply with the minimum debt service coverage ratio, provide funding for a reserve fund, and the bonds will amortize in no more than 25 years.

DEBT IMPACT STATEMENT

There is no debt impact to the City's General Fund from the approval of the recommendations in this report. The average annual debt service for the bonds is \$365,000, over 18 years, until September 1, 2040. The total estimated debt service, including principal and interest, over the life of the bonds is \$6.786 million. The estimated present value savings from the refunding is \$1.8 million. The bonds are payable solely from Mello-Roos Special Tax Revenues collected from parcels within the District. A default in the repayment of Mello-Roos bonds would not adversely affect the City's general credit rating because Mello-Roos bonds are not payable from the General Fund.

(Statement of Findings attached)

FINDINGS

1. BACKGROUND

CFD 8 is located in Council District 7 and was formed in 2007. CFD 8 is authorized to issue up to \$10 million in bonds to finance certain public facilities including: fire station, park, equestrian, street, bridge, aqueduct, sewer, and storm drain facilities. In November 2010, special tax bonds in the amount of \$6 million were issued and are secured and repaid through the annual levy and collection of special taxes from all property subject to tax within CFD 8.

The CFD consists of 176 homes. To our knowledge, no building permits have been issued to construct additional homes within CFD 8. However, there may be plans for future development. Should the need to issue additional bonds in the future arise, they may be issued under the Original Indenture dated as of November 1, 2010, subject to certain conditions on the issuance of additional bonds as described in the Original Indenture.

2. FINANCING TEAM AND PROPOSED TRANSACTION

The financing team is comprised of Fieldman, Rolapp & Associates, Inc. as municipal advisors, Orrick, Herrington & Sutcliffe LLP as bond and tax counsel, and Piper as placement agent. The Mayor and City Council previously approved the team members on various qualified lists (C.F. 17-1388, C.F. 12-0917, and C.F. 10-1763).

In September 2021, this Office released a mini-Request for Proposals (RFP) to firms currently on the City's approved qualified list of underwriters for land-secured transactions. We received two responses from underwriters, including a response from Piper. Piper's proposal was unique in that they proposed a private placement⁽¹⁾ for this transaction where they would serve as the placement agent and assist with soliciting bids from banks to purchase the Refunding Series 2022 Bonds. The indicative rates that were provided were competitive when compared to a traditional public offering of the bonds, and provided higher savings to the households within CFD 8 due to lower total fees. As such and in consultation with the City's municipal advisors, the CAO selected Piper to serve as the placement agent and worked together with the financing team to draft a term sheet that would be used by Piper to solicit proposals from banks to purchase the Refunding Series 2022 Bonds. In December 2021, Piper conducted an RFP process and received four bids from banks. The bid submitted by the BOTW offered the most competitive interest rate at 2.15 percent and the most favorable terms, including a rate lock through closing, the lowest default rate (3.15 percent), and an optional call feature at par on September 1, 2028.

Pursuant to Charter Section 371(e)(2) and in consultation with the City's municipal advisor, the CAO has determined that it is appropriate to proceed with a private placement for the Refunding Series 2022 Bonds. Given the small outstanding par amount of the Series 2010 Bonds, doing a public sale would have resulted in higher costs of issuance, resulting in lower savings to taxpayers

¹ A private placement is a type of negotiated sale in which the issuer places a financing directly with a private investor, in this case a bank.

(as demonstrated by the analysis provided by the placement agent). Moreover, the private placement affords the City the opportunity to move expeditiously and lock in the savings since the bank is providing a fixed interest rate that is locked through closing on January 27, 2022. The expedited schedule allows calling the Series 2010 Bonds on the first interest payment date of March 1, 2022 and would allow the City to pass on the savings to the property owners within the District commencing with the Fiscal Year 2022-23 tax bills.

The proposed bond issuance will be used to refund approximately \$5.4 million of outstanding Series 2010 Bonds. The maturity of the refunding bonds cannot be extended beyond the original maturity date pursuant to State law; the refunding bonds will mature in 2040. The expected par amount of the proposed Refunding Series 2022 Bonds is \$5.47 million. The Refunding Series 2022 Bonds are being issued to achieve interest savings, subject to the refunding parameters in the City's Debt Management Policy. Based on the current proposal from BOTW, the potential net present value savings relative to the Refunding Series 2022 Bonds is approximately \$1.8 million, or approximately 32.6 percent savings of the refunded par. The estimated annual savings per household is or \$591². The estimated total savings over the life of the bonds per household is \$10,051. The Original Indenture requires that refundings occur on interest payment dates only, which in this case is every March 1st and September 1st. This Office is pursuing an aggressive schedule to make the March 1st call date for the refunding to maximize savings.

3. CERTAIN FINANCING INFORMATION FOR THE BONDS PURSUANT TO SECTION 5852.1 OF THE CALIFORNIA GOVERNMENT CODE

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

1. True interest cost (TIC) of the bonds;
2. Finance charge of the bonds (Sum of all fees and charges paid to third parties, including Costs of Issuance);
3. Amount of proceeds received from the sale of the bonds; and,
4. Total payment amount (Total Debt Service).

² Savings does not include Fiscal Year 2021-22 where the CFD 8 special tax levy has already occurred and the final year of debt service, which is expected to be paid from the debt service reserve balance.

The table below contains the financing information required by Section 5852.1:

Series	True Interest Cost	Costs of Issuance and Third Party Fees	Amount of Proceeds ⁽¹⁾	Total Debt Service ⁽²⁾
CFD No. 8 (Legends at Cascades) Refunding Series 2022	2.15%	\$171,987	\$5,298,013	\$6,816,450

(1) Net of reserves, capitalized interest, and third party fees and charges.

(2) Includes total principal and interest to maturity and trustee fees.

4. AUTHORIZING RESOLUTION AND OTHER DOCUMENTS

A. Authorizing Resolution

To proceed with the recommended transaction for the issuance of the CFD No. 8 Special Tax Bonds, Refunding Series 2022, the Mayor and the City Council will need to adopt the Authorizing Resolution (Attachment A), which includes the following:

- Descriptions of the previous actions taken by the City Council that allowed the legislative body the authority to issue bonds, including the Original Indenture dated as of November 1, 2010;
- Authorization to execute all documents necessary to effect the offering, sale, and issuance of the Refunding Series 2022 Bonds;
- The maximum aggregate principal of bonds (not to exceed \$5.485 million) authorized to be issued;
- The execution of a First Supplemental Indenture with the Trustee (U.S. Bank) and approval of the terms and conditions upon which the Refunding Series 2022 Bonds are to be issued including a final maturity date no later than September 1, 2040 and a true interest cost not to exceed 2.36 percent;
- The approval of the Escrow Agreement allowing the moneys to defease and redeem the Series 2010 Bonds to be applied by U.S. Bank as trustee and as escrow agent;
- A determination that it is in the best interests of the CFD 8 to sell the Refunding Series 2022 Bonds through a private placement;
- Acceptance of the proposal (the "Purchaser Proposal") by BOTW as the purchaser of the Refunding Series 2022 Bonds and a determination that the sale of the Refunding Series 2022 Bonds via a negotiated sale will result in a lower overall cost;
- A finding that the value of the real property that would be subject to the Special Tax to pay debt service on the Refunding Series 2022 Bonds will be at least three times the principal amount of the Refunding Series 2022 Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied on property within the CFD 8;

- The SB 450 Summary/Government Code 5852.1 which reflects the good faith estimates as of December 23, 2021 and all costs associated with the financing. This was prepared by Fieldman, Rolapp & Associates, Inc. and is incorporated into Exhibit A of the Authorizing Resolution; and,
- Authorization for the City Administrative Officer to provide for all services necessary to effectuate the issuance of the Refunding Series 2022 Bonds, take any necessary actions and execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Refunding Series 2022 Bonds.

B. Other Documents

Substantially final forms of the following documents necessary to proceed with the sale of the Refunding Series 2022 Bonds and application of bond proceeds are submitted to the City Council as attachments to this report:

The First Supplemental Indenture (Attachment B) is an agreement between the Trustee (U.S. Bank) and the District for the benefit of the bondholders. The Trustee administers the bond proceeds in a fiduciary capacity on behalf of the bondholders. The First Supplemental Indenture includes provisions that specify how the proceeds of the bond issuance will be distributed at closing, the terms of the repayment of the Refunding Series 2022 Bonds, the separate accounts established under the Indenture for holding of bond proceeds, and the conditions that must be met in order to issue any additional parity bonds. This document also includes the Purchaser Letter as Exhibit D, which includes the necessary representations, warranties, covenants, of BOTW.

The Escrow Agreement provides for the administration and refinancing of the Refunded Bonds, including the establishment of the Escrow Fund and the acceptance of moneys for deposit and investment (Attachment C).

The Estimated Assessed Value-to-Lien Ratios (Attachment D) report prepared by David Taussig & Associates, Inc. (DTA) provides the assessed values of the property within CFD 8 as of January 1, 2021.

The Purchaser Proposal submitted by BOTW (Attachment E) that includes the terms of the purchase of the Refunding Series 2022 Bonds. The Authorizing Resolution provides for approval of the Purchaser Proposal and finds that the sale of the Refunding Series 2022 Bonds at negotiated sale will result in a lower overall cost.

Attachments

- Attachment A – Authorizing Resolution
- Attachment B – First Supplemental Indenture
- Attachment C – Escrow Agreement
- Attachment D – Estimated Value-to-Lien Ratios
- Attachment E – Purchaser Proposal

ATTACHMENT A

A RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES AUTHORIZING THE ISSUANCE OF CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 8 (LEGENDS AT CASCADES) SPECIAL TAX REFUNDING BONDS, SERIES 2022, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,485,000, AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE AND AN ESCROW AGREEMENT, ACCEPTING A PROPOSAL TO PURCHASE SUCH BONDS AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the Council (the “City Council”) of the City of Los Angeles (the “City”) has established the City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) (the “Community Facilities District”) under the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”);

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

WHEREAS, in order to provide funds to finance certain of the Facilities, the Community Facilities District previously issued its City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Bonds, Series 2010 (the “Series 2010 Bonds”), pursuant to the Indenture, dated as of November 1, 2010 (the “Original Indenture”), by and between the Community Facilities District and U.S. Bank National Association, as trustee (the “Trustee”) (capitalized undefined terms used herein have the meanings ascribed thereto in the Original Indenture);

WHEREAS, the Community Facilities District has determined that debt service savings can be realized by refunding the outstanding Series 2010 Bonds;

WHEREAS, the Original Indenture provides that the Community Facilities District may at any time issue one or more Series of Additional Bonds (in addition to the Series 2010 Bonds) payable from Net Special Tax Revenues as provided therein on a parity with all other Bonds theretofore issued thereunder, but only subject to the conditions set forth therein;

WHEREAS, in order to provide funds to refund all of the outstanding Series 2010 Bonds, the Community Facilities District proposes to issue a Series of Additional Bonds, to be designated City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022 (the “Series 2022 Bonds”), in the aggregate principal amount of not to exceed \$5,485,000;

WHEREAS, the Original Indenture provides that the Original Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners thereunder may be modified or amended from time to time and at any time by a Supplemental Indenture, which

the Community Facilities District and the Trustee may enter into without the consent of any Owners to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of the Original Indenture;

WHEREAS, in order to provide for the authentication and delivery of the Series 2022 Bonds, to establish and declare the terms and conditions upon which the Series 2022 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District proposes to enter into a First Supplemental Indenture with the Trustee (such First Supplemental Indenture, in a form substantially similar to that presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “First Supplemental Indenture”);

WHEREAS, the moneys to defease and redeem the Series 2010 Bonds will be applied to such purpose pursuant to an Escrow Agreement by and between the Community Facilities District and U.S. Bank National Association, as prior trustee and as escrow bank (such Escrow Agreement, in a form substantially similar to that presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Escrow Agreement”);

WHEREAS, the Community Facilities District has determined that it would be in the best interests of the Community Facilities District to sell the Series 2022 Bonds through a private placement with a purchaser, provided that such purchaser is a “qualified institutional buyer” (a “Qualified Institutional Buyer”) within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, and the rules, regulations and published interpretations of the Securities and Exchange Commission promulgated thereunder from time to time;

WHEREAS, in order to facilitate such a private placement with such a purchaser, the Community Facilities District has, pursuant to a Placement Agent Agreement (the “Placement Agent Agreement”), engaged Piper Sandler & Co. (the “Placement Agent”) to solicit, on behalf of the Community Facilities District, proposals to purchase the Series 2022 Bonds from a limited number of Qualified Institutional Buyers that are potential purchasers thereof;

WHEREAS, the Placement Agent has, pursuant to a Request for Proposals, so solicited such proposals to purchase the Series 2022 Bonds and has received proposals from a number of potential purchasers;

WHEREAS, the City Council has determined that it is in the best interests of the Community Facilities District to accept the proposal of Bank of the West (the “Purchaser”), the terms of which are described in the Private Placement Proposal, dated December 14, 2021, submitted by the Purchaser (the “Purchaser Proposal”);

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

- (a) the First Supplemental Indenture;
- (b) the Escrow Agreement; and

(c) the Purchaser Proposal;

WHEREAS, DTA, Inc., the administrator for the Community Facilities District, has prepared and provided to the Community Facilities District a report dated, December 17, 2021 (the “DTA Report”) setting forth the assessed value of the property in the Community Facilities District and the value-to-lien information with respect thereto, which has been submitted to this meeting;

WHEREAS, Section 5852.1 of the California Government Code requires that the City Council obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the Series 2022 Bonds, good faith estimates of (a) the true interest cost of the Series 2022 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Series 2022 Bonds, (c) the amount of proceeds of the Series 2022 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Series 2022 Bonds, and (d) the sum total of all debt service payments on the Series 2022 Bonds calculated to the final maturity of the Series 2022 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Series 2022 Bonds;

WHEREAS, in compliance with Section 5852.1 of the California Government Code, the City Council has obtained from Fieldman, Rolapp & Associates, Inc., as the Community Facilities District’s municipal advisor (the “Municipal Advisor”), the required good faith estimates, which the Municipal Advisor has prepared in consultation with the Placement Agent, and such estimates are disclosed and set forth in Exhibit A attached hereto;

WHEREAS, the Community Facilities District desires to proceed to issue and sell the Series 2022 Bonds and to authorize the execution of such related documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Series 2022 Bonds and the defeasance and redemption of the Series 2010 Bonds; and

WHEREAS, the City Council is the legislative body of the Community Facilities District;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Los Angeles as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. Subject to the provisions of Section 3 hereof, the issuance of the Series 2022 Bonds, in an aggregate principal amount of not to exceed \$5,485,000, on the terms and conditions set forth in, and subject to the limitations specified in, the First Supplemental Indenture, be and the same is hereby authorized and approved. The Series 2022 Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and

redemption, shall be issued in the form and shall be as otherwise provided in the First Supplemental Indenture, as the same shall be completed as provided in this Resolution.

Section 3. The First Supplemental Indenture, copies of which are before the City Council and on file in the Office of the City Administrative Officer, is hereby approved. Each of the City Administrative Officer, any Assistant City Administrative Officer or any of their designees (each, an “Authorized Representative”) is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name and on behalf of the Community Facilities District, to execute and deliver the First Supplemental Indenture in substantially similar form, with any changes, insertions and omissions as the Authorized Representative executing the same may require, with the necessary approval as to form by the City Attorney, such requirement or approval to be conclusively evidenced in the execution and delivery thereof; provided, however, that such changes, insertions and omissions shall not (a) authorize an aggregate principal amount of Series 2022 Bonds in excess of \$5,485,000, (b) result in a final maturity date of the Series 2022 Bonds later than September 1, 2040, and (c) result in a true interest cost for the Series 2022 Bonds in excess of 2.36%.

Section 4. The refunding of the Series 2010 Bonds is hereby approved. Such refunding shall be accomplished by paying the interest on the Series 2010 Bonds to and including March 1, 2022 and redeeming the Series 2010 Bonds on March 1, 2022 by paying the redemption price therefor. In accordance with Section 53363.8 of the Act, the City Council hereby designates the following costs and expenses as the “designated costs of issuing the refunding bonds:”

- (a) all expenses incident to the calling, retiring, or paying of the Series 2010 Bonds and incident to the issuance of the Series 2022 Bonds, including the charges of any agent in connection with the issuance of the Series 2022 Bonds or in connection with the redemption or retirement of the Series 2010 Bonds;
- (b) the interest upon the Series 2010 Bonds from the date of sale of the Series 2022 Bonds to the date upon which the Series 2010 Bonds will be paid pursuant to call; and
- (c) any premium necessary in the calling or retiring of the Series 2010 Bonds.

Section 5. The Escrow Agreement, copies of which are before the City Council and on file in the Office of the City Administrative Officer, is hereby approved. Each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name and on behalf of the Community Facilities District, to execute and deliver the Escrow Agreement in substantially similar form, with any changes, insertions and omissions as the Authorized Representative executing the same may require, with the necessary approval as to form by the City Attorney, such requirement or approval to be conclusively evidenced in the execution and delivery thereof.

Section 6. The proposal of the Purchaser to purchase the Series 2022 Bonds pursuant to the provisions of the Purchaser Proposal is hereby accepted, and the sale of the Series 2022 Bonds to the Purchaser in accordance therewith is hereby approved. The City Council hereby

finds and determines that the sale of the Series 2022 Bonds at negotiated sale will result in a lower overall cost.

Section 7. Based upon the assessed values of the property within the Community Facilities District reported in the DTA Report and the value-to-lien information set forth therein, the City Council, for purposes of Section 53345.8 of the Act, hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Series 2022 Bonds will be at least three times the principal amount of the Series 2022 Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District.

Section 8. The City Council hereby authorizes the execution and delivery of all agreements, documents, certificates and instruments authorized by this Resolution to be executed and delivered (a) with electronic signatures using DocuSign, as the same may be permitted under the California Uniform Electronic Transactions Act, and (b) with digital signatures using DocuSign, as the same may be permitted under Section 16.5 of the California Government Code.

Section 9. All actions heretofore taken by the officers, employees and agents of the City with respect to the issuance and sale of the Series 2022 Bonds, or in connection with or related to any of the agreements, documents, certificates and instruments referred to herein, are hereby approved, confirmed and ratified.

Section 10. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 11. This Resolution shall take effect immediately upon its adoption.

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022 (the “Series 2022 Bonds”) in accordance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the Community Facilities District by Fieldman, Rolapp & Associates, Inc., the Community Facilities District’s municipal advisor (the “Municipal Advisor”), which the Municipal Advisor has prepared in consultation with Piper Sandler & Co., the Placement Agent.

Principal Amount. The Municipal Advisor has informed the Community Facilities District that, based on the Community Facilities District’s financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Series 2022 Bonds to be issued and sold is \$5,470,000 (the “Estimated Principal Amount”).

True Interest Cost of the Series 2022 Bonds. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2022 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Series 2022 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2022 Bonds, is 2.15%.

Finance Charge of the Series 2022 Bonds. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2022 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Series 2022 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2022 Bonds), is \$171,987.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2022 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Community Facilities District for sale of the Series 2022 Bonds, less the finance charge of the Series 2022 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Series 2022 Bonds, is \$5,298,013.

Total Payment Amount. The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2022 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Community Facilities District will make to pay debt service on the Series 2022 Bonds, plus the finance charge for the Series 2022 Bonds, as described above, not paid with the proceeds of the Series 2022 Bonds, calculated to the final maturity of the Series 2022 Bonds, is \$6,816,450,

which excludes any reserves or capitalized interest funded or paid with proceeds of the Series 2022 Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Series 2022 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Series 2022 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Series 2022 Bonds issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Series 2022 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series 2022 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Community Facilities District's financing plan, or a combination of such factors. The actual date of sale of the Series 2022 Bonds and the actual principal amount of Series 2022 Bonds issued and sold will be determined by the Community Facilities District based on the timing of the need for proceeds of the Series 2022 Bonds and other factors. The actual interest rates borne by the Series 2022 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2022 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Community Facilities District.

ATTACHMENT B

FIRST SUPPLEMENTAL INDENTURE

by and between

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 8
(LEGENDS AT CASCADES)**

and

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

Dated as of January 1, 2022

**Relating to
City of Los Angeles
Community Facilities District No. 8
(Legends at Cascades)
Special Tax Refunding Bonds, Series 2022**

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FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE (this “First Supplemental Indenture”), dated as of January 1, 2022, is by and between the CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 8 (LEGENDS AT CASCADES), a community facilities district organized and existing under the laws of the State of California (the “Community Facilities District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”).

WITNESSETH:

WHEREAS, the Council of the City of Los Angeles has established the Community Facilities District under the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”);

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

WHEREAS, in order to provide funds to finance certain of the Facilities, the Community Facilities District previously issued its City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Bonds, Series 2010 (the “Series 2010 Bonds”), pursuant to the Indenture, dated as of November 1, 2010 (the “Original Indenture”), by and between the Community Facilities District and the Trustee (capitalized undefined terms used in these recitals have the meanings ascribed thereto in the Original Indenture);

WHEREAS, the Original Indenture provides that the Community Facilities District may at any time issue one or more Series of Additional Bonds (in addition to the Series 2010 Bonds) payable from Net Special Tax Revenues as provided therein on a parity with all other Bonds theretofore issued thereunder, but only subject to the conditions set forth therein;

WHEREAS, in order to provide funds to refund all of the Outstanding Series 2010 Bonds, the Community Facilities District has determined to issue a Series of Additional Bonds, to be designated City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022 (the “Series 2022 Bonds”), in the aggregate principal amount of \$5,470,000;

WHEREAS, the Original Indenture provides that the Original Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners thereunder may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Owners to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of the Original Indenture;

WHEREAS, in order to provide for the authentication and delivery of the Series 2022 Bonds, to establish and declare the terms and conditions upon which the Series 2022 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and

interest thereon, the Community Facilities District has authorized the execution and delivery of this First Supplemental Indenture; and

WHEREAS, the Community Facilities District has determined that all acts and proceedings required by law necessary to make the Series 2022 Bonds, when executed by the Community Facilities District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Community Facilities District, and to constitute this First Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this First Supplemental Indenture has been in all respects duly authorized;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the receipt of which is hereby acknowledged, the Community Facilities District and the Trustee do hereby agree that the Original Indenture is hereby modified and amended by adding thereto an additional Article, as follows:

ARTICLE XII

SERIES 2022 BONDS

Section 12.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this First Supplemental Indenture and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified.

“Authorized Denominations” means, with respect to the Series 2022 Bonds, \$100,000 and any integral multiple of \$5,000 in excess thereof.

“Escrow Agreement” means the Escrow Agreement, dated as of January 1, 2022, by and between the Community Facilities District and the Escrow Bank, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

“Escrow Bank” means U.S. Bank National Association, as escrow bank and Trustee under the Escrow Agreement, and any successor thereto.

“First Supplemental Indenture” means the First Supplemental Indenture, dated as of January 1, 2022, by and between the Community Facilities District and U.S. Bank National Association, as Trustee.

“Purchaser Letter” means the Purchaser Letter that is to be executed by the transferee of a Series 2022 Bond and delivered to the Community Facilities District and the Trustee in connection with the transfer of a Series 2022 Bond, the form of which is attached hereto as Exhibit D.

“Qualified Institutional Buyer” means a “qualified institutional buyer” within the meaning of Rule 144A promulgated under the Securities Act.

“Securities Act” means the Securities Act of 1933, as amended, and the rules, regulations and published interpretations of the Securities and Exchange Commission promulgated thereunder from time to time.

“Series 2022 Bonds” means the City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022, issued hereunder.

“Series 2022 Closing Date” means the date upon which the Series 2022 Bonds are delivered to the Series 2022 Original Purchaser, being January 27, 2022.

“Series 2022 Original Purchaser” means Bank of the West, the original purchaser of the Series 2022 Bonds from the Community Facilities District.

“Series 2022 Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Section 12.09.

“Series 2022 Rebate Requirement” has the meaning ascribed to the term “Rebate Requirement” in the Series 2022 Tax Certificate.

“**Series 2022 Tax Certificate**” means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2022 Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 12.02. Terms of Series 2022 Bonds. (a) The Series 2022 Bonds shall be designated “City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022.” The aggregate principal amount of Series 2022 Bonds that may be issued and Outstanding under the Indenture shall not exceed \$5,470,000, except as may be otherwise provided in Section 2.08.

(b) The Series 2022 Bonds shall be issued in fully registered form without coupons in Authorized Denominations, so long as no Series 2022 Bond shall have more than one maturity date. The Series 2022 Bonds shall be dated as of the Series 2022 Closing Date, shall be issued in the aggregate principal amount of \$5,470,000, shall mature on September 1, 2040, shall bear interest at the rate of 2.15% per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months).

Notwithstanding the foregoing, upon an Event of Default, the Series 2022 Bonds shall bear interest at the rate of 3.15% per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months).

(c) Interest on the Series 2022 Bonds shall be payable on each Interest Payment Date, commencing September 1, 2022.

(d) Interest on the Series 2022 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2022 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (ii) a Series 2022 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Series 2022 Closing Date, or (iii) interest on any Series 2022 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2022 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date; provided, however, that, upon the written request of an Owner of Series 2022 Bonds delivered to the Trustee (which request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee), received at least ten days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest on such Series 2022 Bonds shall be made by wire transfer of immediately available funds on each Interest Payment Date. Notwithstanding the foregoing, interest on any Series 2022 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2022 Bond is registered on the Registration Books at the close of business on a special record date to be established by the

Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

(e) The principal of the Series 2022 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(f) The Series 2022 Bonds shall be subject to redemption as provided in Section 12.08.

(g) The Series 2022 Bonds shall be in substantially the form set forth in Exhibit C hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 12.03. Restrictions on Transfer of Series 2022 Bonds. (a) Notwithstanding Section 2.06, the Series 2022 Bonds shall only be transferred upon the Registration Books to a Qualified Institutional Buyer that has executed and delivered to the Community Facilities District and the Trustee a Purchaser Letter substantially in the form attached hereto as Exhibit D. The Community Facilities District and the Trustee may rely conclusively any such Purchaser Letter so delivered thereto. Any purported transfer of a Series 2022 Bond in violation of the foregoing restrictions shall be void *ab initio*.

(b) The Series 2022 Bonds shall bear a legend describing or referencing the restrictions on transferability set forth in subsection (a) of this Section.

Section 12.04. Execution of Series 2022 Bonds. Notwithstanding Section 2.03, the Series 2022 Bonds shall be executed in the name and on behalf of the Community Facilities District with the manual or facsimile signature of the City Administrative Officer or any Assistant City Administrative Officer of the City attested by the manual or facsimile signature of the City Clerk of the City.

Section 12.05. Issuance of Series 2022 Bonds. The Community Facilities District may, at any time, execute the Series 2022 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2022 Bonds and deliver the Series 2022 Bonds to the Series 2022 Original Purchaser upon receipt of a Written Request of the Community Facilities District and upon receipt of the purchase price therefor.

Section 12.06. Application of Proceeds of the Series 2022 Bonds. (a) On the Series 2022 Closing Date, the proceeds of the sale of the Series 2022 Bonds received by the Trustee, \$5,470,000, shall be deposited or transferred by the Trustee as follows:

(i) the Trustee shall deposit the amount of \$[COI] in the Costs of Issuance Fund;

(ii) the Trustee shall transfer to the Escrow Bank the amount of \$[ESCROW] to be applied to the payment of the Series 2010 Bonds in accordance with the provisions of the Escrow Agreement.

(b) On the Series 2022 Closing Date, the Trustee shall transfer from (i) the Reserve Fund the amount of \$[126,886.24] and (ii) the Special Tax Fund the amount of \$149,793.75 to be applied to the payment of the Series 2010 Bonds in accordance with the provisions of the Escrow Agreement.

The Trustee may establish and use temporary funds or accounts in its records to facilitate and record such deposits.

Section 12.07. Costs of Issuance Fund. (a) The Trustee shall reopen and reestablish the Costs of Issuance Fund. On the Series 2022 Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 12.06.

(b) On the last Business Day that is no later than six months after the Series 2022 Closing Date, the Trustee shall transfer any amount remaining in the Costs of Issuance Fund to the Special Tax Fund and, upon making such transfer, the Costs of Issuance Fund shall be closed.

Section 12.08. Redemption of Series 2022 Bonds. (a) *Optional Redemption.* The Series 2022 Bonds shall be subject to optional redemption, in whole or in part, in Authorized Denominations, on any date on or after September 1, 2028, from any source of available funds, at the Redemption Price of 100% (expressed as percentages of the principal amount of the Series 2022 Bonds to be redeemed), plus accrued interest thereon to the date of redemption.

The Community Facilities District shall give the Trustee written notice of its intention to redeem Series 2022 Bonds pursuant to this subsection not less than 45 days (or a lesser number of days acceptable to the Trustee) prior to the applicable redemption date, unless such notice shall be waived by the Trustee.

(b) *Mandatory Redemption from Special Tax Prepayments.* The Series 2022 Bonds shall be subject to mandatory redemption, in whole or in part, in Authorized Denominations, on any Interest Payment Date, from and to the extent of prepaid Special Taxes required to be applied thereto pursuant to Section 5.02(a) and any amount required to be applied thereto pursuant to Section 5.05(c), at a Redemption Price equal to the principal amount of the Series 2022 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(c) *Mandatory Sinking Fund Redemption.* The Series 2022 Bonds shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 2022, at a Redemption Price equal to the principal amount of the Series 2022 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund Redemption Date (September 1)	Principal Amount to Be Redeemed
2022	\$180,000
2023	170,000
2024	180,000
2025	195,000
2026	210,000
2027	220,000
2028	235,000
2029	250,000
2030	265,000
2031	275,000
2032	295,000
2033	310,000
2034	330,000
2035	345,000
2036	365,000
2037	385,000
2038	400,000
2039	420,000
2040*	440,000

*Maturity

If some but not all of the Series 2022 Bonds are redeemed pursuant to Section 12.08(a), the principal amount of Series 2022 Bonds to be redeemed pursuant to Section 12.08(c) on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2022 Bonds redeemed pursuant to Section 12.08(a). If some but not all of the Series 2022 Bonds are redeemed pursuant to Section 12.08(b), the principal amount of Series 2022 Bonds to be redeemed pursuant to Section 12.08(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2022 Bonds so redeemed pursuant to Section 12.08(b), such reduction to be allocated among redemption dates as nearly as practicable on a *pro rata* basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District.

Section 12.09. Series 2022 Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the “Series 2022 Rebate Fund.” There shall be deposited in the Series 2022 Rebate Fund such amounts as are required to be deposited therein pursuant to the Series 2022 Tax Certificate, as specified in a Written Request of the Community Facilities District. All money at any time deposited in the Series 2022 Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Series 2022 Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Series 2022 Bonds pursuant to Article X

or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Series 2022 Rebate Fund shall be governed exclusively by this Section and by the Series 2022 Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Community Facilities District, and shall have no liability or responsibility to enforce compliance by the Community Facilities District with the terms of the Series 2022 Tax Certificate. The Trustee may conclusively rely upon the Community Facilities District's determinations, calculations and certifications required by the Series 2022 Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Community Facilities District's calculations.

(b) Any funds remaining in the Series 2022 Rebate Fund after payment in full of all of the Series 2022 Bonds and after payment of any amounts described in this Section, shall, upon receipt by the Trustee of a Written Request of the Community Facilities District, be withdrawn by the Trustee and remitted to the Community Facilities District.

Section 12.10. Covenants Relating to Series 2022 Bonds. The Series 2022 Bonds shall not be issued as Book-Entry Bonds. The Community Facilities District shall not apply for a rating by any credit rating agency or cause any such rating to be applied for. The Community Facilities District shall not apply to Standard & Poor's CUSIP Service for a CUSIP number for the Series 2022 Bonds or cause such a CUSIP number to be applied for.

Section 12.11. Series 2022 Tax Covenants. (a) The Community Facilities District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2022 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Community Facilities District shall comply with the requirements of the Series 2022 Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Series 2022 Bonds.

(b) In the event that at any time the Community Facilities District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the Community Facilities District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Community Facilities District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2022 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Series 2022 Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 12.12. Effect of First Supplemental Indenture. This First Supplemental Indenture and all of the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the

Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby. If there shall be any conflict between the terms of this First Supplemental Indenture and the terms of the Indenture (as in effect on the day prior to the effective date of this First Supplemental Indenture), the terms of this First Supplemental Indenture shall prevail.

Section 12.13. Execution in Several Counterparts. This First Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 12.14. Effective Date. This First Supplemental Indenture shall take effect upon the Series 2022 Closing Date.

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

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT
NO. 8 (LEGENDS AT CASCADES)**

By: _____

APPROVED AS TO FORM:
MICHAEL N. FEUER, CITY ATTORNEY

By: _____
Deputy City Attorney

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

By: _____
Authorized Officer

EXHIBIT C

FORM OF SERIES 2022 BOND

No. _____

\$ _____

THIS BOND SHALL NOT BE TRANSFERRED BY THE OWNER THEREOF EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED) THAT HAS EXECUTED AND DELIVERED TO THE COMMUNITY FACILITIES DISTRICT AND THE TRUSTEE A PURCHASER LETTER SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE. ANY PURPORTED TRANSFER OF THIS BOND IN VIOLATION OF SUCH RESTRICTIONS SHALL BE VOID *AB INITIO*.

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 8
(LEGENDS AT CASCADES)
SPECIAL TAX REFUNDING BOND, SERIES 2022**

INTEREST RATE	MATURITY DATE	DATED DATE
%	September 1, 2040	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) (the “Community Facilities District”), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof payable semiannually on March 1 and September 1 in each year, commencing September 1, 2022 (the “Interest Payment Dates”), until payment of such Principal Amount in full.

This Bond is one of a series of a duly authorized issue of bonds approved by the qualified electors of the Community Facilities District, pursuant to the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code (the “Act”), and issued for the purpose of refunding certain previously issued bonds of the Community Facilities District, and is one of the series of bonds designated “City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022” (the “Series 2022 Bonds”) in the aggregate principal amount of \$5,470,000. The Series 2022 Bonds are issued pursuant to the Indenture, dated as of November 1, 2010, by and between the Community Facilities District and U.S. Bank National Association, as trustee (said entity or any successor thereto as trustee under the Indenture, the “Trustee”), as modified and amended by the First Supplemental Indenture of Trust, dated as of January 1, 2022 (as so modified and amended, the “Indenture”), by

and between the Community Facilities District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. Pursuant to and as more particularly provided in the Indenture, additional bonds (“Additional Bonds”) may be issued by the Community Facilities District on a parity with the Series 2022 Bonds. The Series 2022 Bonds and any Additional Bonds are collectively referred to as the “Bonds.” The Indenture is entered into, and this Bond is issued under, the Act and the laws of the State of California. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

Interest on the Series 2022 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (a) a Series 2022 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (b) a Series 2022 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Series 2022 Closing Date, or (c) interest on any Series 2022 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2022 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date; provided, however, that, upon the written request of an Owner of Series 2022 Bonds delivered to the Trustee (which request shall remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee), received at least ten days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest on such Series 2022 Bonds shall be made by wire transfer of immediately available funds on each Interest Payment Date. Notwithstanding the foregoing, interest on any Series 2022 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2022 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

The principal of the Series 2022 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

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

Pursuant to and as more particularly provided in the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act, the Community Facilities District pledges to the Owners, and grants thereto a lien on and a security

interest in, all of the Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Said pledge constitutes a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Community Facilities District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

The Series 2022 Bonds are subject to redemption on the dates, at the Redemption Prices and pursuant to the terms set forth in the Indenture. Notice of redemption of any Series 2022 Bond or any portion thereof shall be given as provided in the Indenture.

The Series 2022 Bonds are issuable as fully-registered Bonds without coupons in Authorized Denominations with respect thereto (\$100,000 and any integral multiple of \$5,000 in excess thereof).

Notwithstanding Section 2.06, the Series 2022 Bonds shall only be transferred upon the Registration Books to a Qualified Institutional Buyer that has executed and delivered to the Community Facilities District and the Trustee a Purchaser Letter substantially in the form attached to the Indenture. The Community Facilities District and the Trustee may rely conclusively any such Purchaser Letter so delivered thereto. Any purported transfer of a Series 2022 Bond in violation of the foregoing restrictions shall be void *ab initio*.

Subject to such restrictions on the transferability of the Series 2022 Bonds, any Series 2022 Bond may be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Series 2022 Bond to the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Series 2022 Bond or Series 2022 Bonds shall be so surrendered for transfer, the Community Facilities District shall execute and the Trustee shall authenticate and shall deliver a new Series 2022 Bond or Series 2022 Bonds of the same maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The Series 2022 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2022 Bonds of the same maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners may be modified or amended in the manner, to the extent, and upon the terms provided in the Indenture.

The Indenture contains provisions permitting the Community Facilities District to make provision for the payment of the principal of and the interest and premium, if any, on any of the Bonds so that such Bonds shall no longer be deemed to be Outstanding under the terms of the Indenture.

IN WITNESS WHEREOF, the Community Facilities District has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of the Assistant City Administrative Officer of the City of Los Angeles attested by the manual or facsimile signature of the City Clerk of the City of Los Angeles, all as of the Dated Date identified above.

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT
NO. 8 (LEGENDS AT CASCADES)**

By: _____
Assistant City Administrative Officer
of the City of Los Angeles

Attest:

By: _____
City Clerk of the City of Los Angeles

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2022 Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____

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

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____, whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

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

EXHIBIT D

FORM OF PURCHASER LETTER

City of Los Angeles Community Facilities
District No. 8 (Legends at Cascades)
Los Angeles, California

U.S. Bank National Association
Los Angeles, California

Re: City of Los Angeles Community Facilities District No. 8 (Legends at Cascades)
Special Tax Refunding Bonds, Series 2022

Ladies and Gentlemen:

The undersigned (the “Purchaser”) is purchasing \$_____ aggregate principal amount of the City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022 (the “Series 2022 Bonds”) issued by City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) (the “Community Facilities District”) pursuant to the Indenture, dated as of November 1, 2010, by and between the Community Facilities District and U.S. Bank National Association, as Trustee, as modified and amended by the First Supplemental Indenture, dated as of January 1, 2022, by and between the Community Facilities District and the Trustee (as so modified and amended, the “Indenture”). Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

The Purchaser hereby represents and warrants to, and covenants with, the Community Facilities District that:

(a) The Purchaser has the authority and is duly authorized to purchase the Series 2022 Bonds and to execute this Purchaser Letter and any other instruments and documents required to be executed by the Purchaser in connection with its purchase of the Series 2022 Bonds.

(b) The Purchaser is a “qualified institutional buyer” (a “Qualified Institutional Buyer”) within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, and the rules, regulations and published interpretations of the Securities and Exchange Commission promulgated thereunder from time to time (the “Securities Act”).

(c) The Purchaser is not purchasing the Series 2022 Bonds for more than one account. The Purchaser is not purchasing the Series 2022 Bonds with a present view to the resale or distribution thereof, and the Purchaser presently intends to hold the Series 2022 Bonds and does not presently intend to dispose of all or any part of the Series 2022 Bonds; provided, however, that the Purchaser reserves the right to sell, transfer or otherwise dispose of the Series 2022 Bonds in the future at its discretion, subject to the transfer restrictions contained in the Indenture.

(d) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Series 2022 Bonds, to be capable of evaluating the merits and risks of an investment in the Series 2022 Bonds, and the Purchaser is able to bear the economic risks of such an investment.

(e) The Purchaser has made its own inquiry and analysis with respect to the Series 2022 Bonds and the security therefor and other material factors affecting the security for and payment of the Series 2022 Bonds and, based thereon, the Purchaser has been able to make its decision to purchase the Series 2022 Bonds. The Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(f) The Purchaser (i) has been given access to copies of such documents, agreements, certificates and instruments pertaining to the Community Facilities District and the Series 2022 Bonds as it has requested, and (ii) has had the opportunity to ask questions and receive answers from representatives of the Community Facilities District concerning the Community Facilities District and the Series 2022 Bonds, that it has deemed necessary or appropriate in its evaluation of the Series 2022 Bonds.

(g) The Purchaser is not relying upon the Community Facilities District, the City of Los Angeles, or any employee, agent or representative thereof, for advice as to the merits and risks of investment in the Series 2022 Bonds.

(h) The Purchaser understands and acknowledges that (i) the Series 2022 Bonds are not, and are not intended to be, registered under the Securities Act and that such registration is not legally required as of the date hereof, (ii) the Series 2022 Bonds are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (iii) the Series 2022 Bonds will not carry a rating from any rating service, (iv) the Series 2022 Bonds are not issued as Book-Entry Bonds, (v) the Series 2022 Bonds are not assigned a CUSIP number, and (vi) the Series 2022 Bonds will be delivered in a form that may not be readily marketable.

(i) The Purchaser understands and acknowledges that the offering and sale of the Series 2022 Bonds by the Community Facilities District are exempt from Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), pursuant to Section (d) of the Rule, and that neither the Community Facilities District nor any other person has undertaken, pursuant to the Rule, to provide information with respect to the Series 2022 Bonds on an ongoing basis.

(j) The Purchaser understands and acknowledges that the Series 2022 may not be transferred by the Owner thereof except to a Qualified Institutional Buyer that has executed and delivered to the Community Facilities District and the Trustee a Purchaser Letter substantially in the form attached as Exhibit D to the Indenture.

(k) All representations, warranties and covenants of the Purchaser contained in this Purchaser Letter shall survive the transfer of the Series 2022 Bonds to the Purchaser.

Dated: _____

Very truly yours,

[Printed Name of Purchaser]

By: _____

Name: _____

Title: _____

ATTACHMENT C

ESCROW AGREEMENT

by and between

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 8
(LEGENDS AT CASCADES)**

and

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE AND AS ESCROW BANK**

Dated as of January 1, 2022

**Relating to
City of Los Angeles
Community Facilities District No. 8
(Legends at Cascades)
Special Tax Bonds, Series 2010**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Escrow Agreement”), dated as of January 1, 2022, is by and between CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 8 (LEGENDS AT CASCADES), a community facilities district organized and existing under the laws of the State of California (the “Community Facilities District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”) and as escrow bank (the “Escrow Bank”).

WITNESSETH:

WHEREAS, the Community Facilities District previously issued its City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Bonds, Series 2010 (the “Prior Bonds”), presently outstanding in the aggregate principal amount of \$5,425,000;

WHEREAS, the Prior Bonds were issued pursuant to the Indenture, dated as of November 1, 2010 (the “Original Indenture”), by and between the Community Facilities District and the Trustee;

WHEREAS, the Community Facilities District has determined that debt service savings can be achieved by refunding the Prior Bonds;

WHEREAS, in order to provide the funds required to refund the Prior Bonds, the Community Facilities District is issuing \$5,470,000 aggregate principal amount of its City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022 (the “Series 2022 Bonds”), pursuant to the Original Indenture, as modified and amended by the First Supplemental Indenture, dated as of January 1, 2022 (as modified and amended, the “Indenture”), by and between the Community Facilities District and the Trustee;

WHEREAS, the Community Facilities District has determined to apply a portion of the proceeds of the Series 2022 Bonds for the purpose of providing the funds necessary to pay, when due, the interest on the Prior Bonds to and including March 1, 2022 and to redeem the Prior Bonds on March 1, 2022 (the “Redemption Date”) at a redemption price (the “Redemption Price”) equal to 100% of the principal amount of the Prior Bonds being so redeemed; and

WHEREAS, the Prior Bonds are subject to redemption on the Redemption Date and the Community Facilities District has determined to provide for the call for redemption on the Redemption Date of the Prior Bonds outstanding on the Redemption Date;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Indenture.

Section 2. The Refunding Fund. (a) There is hereby established a fund (the “Refunding Fund”) to be held as an irrevocably pledged escrow by the Escrow Bank, which the Escrow Bank shall keep separate and apart from all other funds of the Community Facilities District and the

Escrow Bank and which shall be applied solely as provided in this Escrow Agreement. The Refunding Fund is established for the purpose of refunding the Prior Bonds and, for purposes of Section 53363.5 of the Mello-Roos Community Facilities Act of 1982, shall be deemed to be a fund in the treasury of the City of Los Angeles.

Pending application as provided in this Escrow Agreement, amounts on deposit in the Refunding Fund are hereby pledged and assigned solely to the payment of (i) the interest on the Prior Bonds coming due on the Redemption Date, and (ii) the Redemption Price on the Redemption Date, which amounts shall be held in trust by the Escrow Bank for the Owners of the Prior Bonds.

(b) The Trustee, has informed the Community Facilities District that, as of the date of issuance of the Series 2022 Bonds (the "Closing Date"), there is (i) \$[576,346.24] on deposit in the Reserve Fund, which is \$[126,886.24] in excess of the Reserve Requirement as of the Closing Date, and (ii) \$[] on deposit in the Special Tax Fund, of which \$149,793.75 represents the amount of interest accrued on the Series 2010 Bonds from the September 1, 2021 Interest Payment Date to the Redemption Date. On the Closing Date (i) the Trustee shall transfer the amount of \$[126,886.24] from the Reserve Fund to the Escrow Bank for deposit in the Refunding Fund, (ii) the Trustee shall transfer the amount of \$[149,793.75] from the Special Tax Fund to the Escrow Bank for deposit in the Refunding Fund, and (iii) the Escrow Bank shall deposit in the Refunding Fund (A) the amount of \$[] of proceeds of the sale of the Series 2022 Bonds received from the Trustee, and (B) the amount of \$[276,679.99] received from the Trustee pursuant to clauses (i) and (ii) above, for a total of \$[] transferred to and deposited in the Refunding Fund.

(c) As reflected in the report of an independent firm of nationally recognized certified public accountants delivered in connection herewith, upon the deposit of moneys pursuant to Section 2(b) hereof, the moneys on deposit in the Refunding Fund will be at least equal to an amount sufficient to purchase the aggregate principal amount of Defeasance Securities set forth in Exhibit A hereto (the "Exhibit A Securities"), which principal, together with all interest due or to become due on such Exhibit A Securities, and any uninvested cash held by the Escrow Bank in the Refunding Fund, will be sufficient to make the payments required by Section 4 hereof.

Section 3. Use and Investment of Moneys. (a) The Escrow Bank hereby acknowledges deposit of the moneys described in Section 2(b) hereof and agrees to invest \$[] of such moneys in the Exhibit A Securities upon receipt of certification by an independent firm of nationally recognized certified public accountants that the Exhibit A Securities will mature in such principal amounts and earn interest in such amounts and, in each case, at such times, so that sufficient moneys will be available from maturing principal and interest on the Exhibit A Securities, together with any uninvested moneys then held by the Escrow Bank in the Refunding Fund, to make all payments required by Section 4 hereof. Except as provided in Section 3(b) hereof or Section 3(c) hereof, the balance of the moneys in the Refunding Fund shall be held uninvested.

(b) Upon the written request of an Authorized Representative of the Community Facilities District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall purchase substitute Defeasance Securities for the Defeasance Securities then held in the Refunding Fund with the proceeds derived from the sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Refunding Fund and any uninvested money then held by the Escrow Bank

hereunder in accordance with the provisions of this Section. Such sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Refunding Fund and substitution of other Defeasance Securities shall be effected by the Escrow Bank upon the written request of an Authorized Representative of the Community Facilities District but only by a simultaneous transaction and only upon (i) receipt of certification an independent firm of nationally recognized certified public accountants that the Defeasance Securities to be substituted, together with the Defeasance Securities which will continue to be held in the Refunding Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Defeasance Securities held in the Refunding Fund, together with any uninvested moneys, to make all payments required by Section 4 hereof which have not previously been made, and (ii) receipt by the Escrow Bank of an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the sale, transfer, redemption or other disposition and substitution of Defeasance Securities will not adversely affect the exclusion of interest on any Prior Bonds or on any Series 2022 Bonds from gross income for purposes of federal income taxation.

(c) Upon the written request of an Authorized Representative of the Community Facilities District, but subject to the conditions and limitations herein set forth, the Escrow Bank shall apply any moneys received from the maturing principal of or interest or other investment income on any Defeasance Securities held in the Refunding Fund, or the proceeds from any sale, transfer, redemption or other disposition of Defeasance Securities pursuant to Section 3(b) hereof not required for the purposes of said Section (i) to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 4 hereof, as certified by an independent firm of nationally recognized certified public accountants delivered to the Escrow Bank, such moneys shall be transferred to the Community Facilities District for deposit in the Special Tax Fund established under the Indenture upon the written request of an Authorized Representative of the Community Facilities District as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Prior Bonds or otherwise existing hereunder, and (ii) to the extent such moneys will be required for such purpose at a later date, such moneys shall, to the extent practicable, be invested or reinvested in Defeasance Securities maturing at times and in amounts sufficient, as certified by an independent firm of nationally certified public accountants delivered to the Escrow Bank, to make such payment required by Section 4 hereof.

(d) All Defeasance Securities purchased pursuant to this Escrow Agreement shall be deposited in and held for the credit of the Refunding Fund. Except as provided in this Section, no moneys or Defeasance Securities deposited with the Escrow Bank pursuant to this Escrow Agreement nor principal of, or interest payments or other investment income on, any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Prior Bonds as provided in Section 4 hereof.

(e) The Owners of the Prior Bonds shall have a first and exclusive lien on the moneys and Defeasance Securities in the Refunding Fund until such moneys and Defeasance Securities are used and applied as provided in this Escrow Agreement.

(f) The Escrow Bank shall not be held liable for investment losses resulting from compliance with the provisions of this Escrow Agreement.

(g) If the Escrow Bank learns that the Department of the Treasury or the Bureau of Fiscal Service will not, for any reason, accept a subscription of state and local government series securities (“SLGS”) that is to be submitted pursuant to this Escrow Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the Community Facilities District with respect to funds which were to be invested in SLGS. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the Community Facilities District. In the absence of investment instructions from the Community Facilities District, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the Community Facilities District’s selection of an alternative investment as a determination of the alternative investment’s legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 4. Payment of Prior Bonds. From the maturing principal of the Defeasance Securities held in the Refunding Fund and the investment income and other earnings thereon and any uninvested money then held in the Refunding Fund, the Escrow Bank, as the Trustee, shall apply such amounts, as follows:

(a) on the Redemption Date, the Escrow Bank, as the Trustee, shall pay interest on the Prior Bonds in accordance with the terms of the Indenture; and

(b) on the Redemption Date, the Escrow Bank, as the Trustee, shall pay the Redemption Price in accordance with the terms of the Indenture.

To the extent that the amount on deposit in the Refunding Fund on the Redemption Date is in excess of the amount necessary to make the required payments with respect to the Prior Bonds, as shown in the then applicable escrow verification of the nationally recognized firm of independent certified public accountants, such excess shall be transferred to the Trustee for deposit in the Interest Account established under the Indenture.

Section 5. Irrevocable Instructions to Mail Notices; Community Facilities District Election. (a) The Community Facilities District hereby irrevocably designates the Prior Bonds for redemption as indicated in Section 4 hereof and hereby irrevocably instructs the Trustee to mail, on a date in accordance with the provisions of Section 4.02 of the Indenture, notice of redemption of the Prior Bonds, said notice to be given in accordance with Section 4.02 of the Original Indenture.

(b) The Community Facilities District hereby irrevocably instructs the Trustee to mail, as soon as practicable, a notice in the form of Exhibit B attached hereto to the Owners of the Prior Bonds that the deposit required by clause (a) of Section 10.02 of the Indenture has been made with the Trustee and that the Prior Bonds are deemed to have been paid in accordance with Section 10.02 of the Original Indenture and stating the maturity date or Redemption Date upon which money is to be available for the payment of the principal of and premium, if any, on the Prior Bonds.

(c) The Trustee, agrees that the irrevocable instructions to the Trustee herein provided are in a form satisfactory to it.

Section 6. Escrow Bank's Authority to Make Investments. The Escrow Bank shall have no power or duty to invest any funds held under this Escrow Agreement except as provided in Section 3 hereof. The Escrow Bank shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Escrow Agreement.

Section 7. Indemnity. To the extent permitted by law, the Community Facilities District hereby agrees to indemnify, protect, save and keep harmless the Escrow Bank, and its respective successors and assigns, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees, expenses and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against the Escrow Bank at any time in any way relating to or arising out of the execution and delivery of this Escrow Agreement by the Escrow Bank and the performance by the Escrow Bank of its duties hereunder; provided, however, that the Community Facilities District shall not be required to indemnify the Escrow Bank against the Escrow Bank's own negligence or willful misconduct, the negligence or willful misconduct of the Escrow Bank's respective successors or assigns or the material breach by the Escrow Bank or such successors or assigns of the terms of this Escrow Agreement. The indemnities contained in this Section shall survive the termination of this Escrow Agreement and the removal or resignation of the Escrow Bank.

Section 8. Responsibilities of Escrow Bank. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the Community Facilities District, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representation as to the sufficiency of, and shall not be responsible or liable for any insufficiency of, the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the redemption of the Prior Bonds pursuant to the Indenture. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default. In no event shall the Escrow Bank be liable for any special, indirect or consequential damages. No provision of this Escrow Agreement shall require the Escrow Bank to advance, expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its rights, duties or powers hereunder, other than such financial liability as may result from the Escrow Bank's negligence, willful misconduct or willful default in any such performance or exercise. The Escrow Bank may consult with counsel, who may or may not be counsel to the Community Facilities District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds) may be deemed to be conclusively established by a written certification of the Community Facilities District. Whenever the Escrow Bank shall deem it necessary or desirable that a matter specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds be proved or established prior to taking, suffering or omitting any such action, such matter may be established only by a certificate signed by a

nationally recognized firm of certified public accountants or such opinion of counsel of recognized standing in the field of law relating to municipal bonds.

The Escrow Bank may resign by giving written notice to the Community Facilities District, and upon receipt of such notice the Community Facilities District shall promptly appoint a successor Escrow Bank. If the Community Facilities District does not appoint a successor Escrow Bank within 30 days of receipt of such notice, the resigning Escrow Bank may petition a court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Bank. Upon acceptance of appointment by a successor Escrow Bank, the resigning Escrow Bank shall transfer all amounts held by it in the Refunding Fund to such successor Escrow Bank and be discharged of any further obligation or responsibility hereunder.

Section 9. COVID-19. Employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, “Contractor Personnel”), while performing services under this Escrow Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, “In-Person Services”) must be fully vaccinated against the novel coronavirus 2019 (“COVID-19”). “Fully vaccinated” means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated. Contractor shall retain such proof for the document retention period set forth in this Escrow Agreement. Contractor shall grant medical or religious exemptions (“Exemptions”) to Contractor Personnel as required by law. If Contractor wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Contractor shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Contractor. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Contractor shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

Section 10. Amendments. The Community Facilities District and the Escrow Bank may (but only with the consent of the Owners of all of the Prior Bonds) amend this Escrow Agreement or enter into agreements supplemental to this Escrow Agreement.

Section 11. Compensation. The Community Facilities District shall from time to time pay or cause to be paid to the Escrow Bank the agreed upon compensation for its services to be rendered hereunder, and reimburse the Escrow Bank for all of its reasonable advances in the exercise and performance of its duties hereunder; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien whatsoever on any moneys or obligations in the Refunding Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Escrow Agreement or otherwise.

Section 12. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Community Facilities District or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 13. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

Section 14. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

Section 15. Effective Date. This Escrow Agreement shall take effect upon the Closing Date.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date first above written.

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT
NO. 8 (LEGENDS AT CASCADES)**

By: _____

APPROVED AS TO FORM:
MICHAEL N. FEUER, CITY ATTORNEY

By: _____
Deputy City Attorney

**U.S. BANK NATIONAL
ASSOCIATION, AS TRUSTEE AND AS
ESCROW BANK**

By: _____
Authorized Officer

EXHIBIT A

DEFEASANCE SECURITIES

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
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EXHIBIT B

CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 8 (LEGENDS AT CASCADES) SPECIAL TAX BONDS, SERIES 2010

To: Owners of the above-captioned bonds (the “Series 2010 Bonds”)

Re: Notice of Defeasance of the Series 2010 Bonds

The Series 2010 Bonds were issued pursuant to the Indenture, dated as of November 1, 2010 (the “Indenture”), by and between City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) (the “Community Facilities District”) and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

Each outstanding maturity of the Series 2010 Bonds is further identified by the corresponding original principal amount, interest rate and CUSIP number set forth below:

<u>Maturity Date (September 1,)</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>CUSIP No.¹</u>
2022	\$ 105,000	4.625%	544386CB9
2023	120,000	4.750	544386CC7
2024	130,000	5.000	544386CD5
2025	145,000	5.000	544386CE3
2026	165,000	5.125	544386CF0
2027	180,000	5.125	544386CG8
2027	200,000	5.250	544386CH6
2029	220,000	5.375	544386CJ2
2030	240,000	5.375	544386CK9
2031	260,000	5.500	544386CL7
2032	285,000	5.500	544386CM5
2033	310,000	5.500	544386CN3
2034	340,000	5.625	544386CP8
2035	370,000	5.625	544386CQ6
2040	2,355,000	5.750	544386CR4

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither of the Community Facilities District nor the Trustee assume responsibility for the accuracy of such numbers.

On January 27, 2022, the Community Facilities District issued a series of Additional Bonds to refund and defease all of the outstanding Series 2010 Bonds in accordance with the Indenture. The Series 2010 Bonds will be redeemed on March 1, 2022 (the “Redemption Date”).

The Owners of the Series 2010 Bonds are hereby notified that the deposit required pursuant to Section 10.02(a) of the Indenture has been made and that the Series 2010 Bonds are deemed to have been paid in accordance with Section 10.02 of the Indenture.

In accordance with the Indenture, the Trustee will mail to the Owners of the Series 2010 Bonds notice of redemption of the Series 2010 Bonds at least 30 but not more than 60 days prior to the Redemption Date.

Dated: _____, 2022

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

By: _____
Authorized Officer

ATTACHMENT D

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 8 (LEGENDS AT CASCADES)
SPECIAL TAX REFUNDING BONDS, SERIES 2022
ESTIMATED ASSESSED VALUE-TO-LIEN RATIOS (CFD/AD DEBT ONLY)**

Development Status/Property Owner [1]	Number of Units / Acres	CFD No. 8	Percentage of	CFD No. 8	Overlapping CFD / AD Debt	Assessed Value [2]	Estimated Assessed Value-to-Lien Ratio
		FY 2021-2022 Levy	CFD No. 8 FY 2021-2022 Levy	CFD No. 8 Refunding Bonds [3]			
Developed Property [2]							
Individual Owners	176	\$414,223	100.00%	\$5,475,000	\$0	\$76,150,644	13.91
Undeveloped Property							
Cascades Park Properties	4.26	\$0	0.00%	\$0	\$0	\$4,283,484	N/A
Total	176	\$414,223	100.00%	\$5,475,000	\$0	\$80,434,128	14.69

[1] Ownership and assessed values as of January 1, 2021 provided by the County of Los Angeles Assessor. Assessed Value is calculated as the sum of land value and improvement value.

[2] Reflects building permits issued as of January 1, 2021. Per the Rate and Method of Apportionment, Developed Property is property for which a building permit was issued as of January 1, 2021.

[3] Principal amount of CFD No. 8 Refunding Bonds anticipated to be issued, based on Piper Sandler & Co sizing as of 11/22/2021. Allocated based on FY 2021-2022 levy.

ATTACHMENT E

BANK OF THE WEST

The bank for a changing world



CITY OF LOS ANGELES, CFD NO. 8 (LEGENDS AT CASCADES)

RESPONSE TO REQUEST FOR PROPOSAL
FOR PRIVATE PLACEMENT

DECEMBER 14, 2021; 5:00 PM PT

Prepared by:

Christine Armani-Dawood

Public Finance Director

Bank of the West

300 S. Grand Avenue

Los Angeles, CA 90017

C: 213-400-6680

christine.armani-dawood@bankofthewest.com

Matthew Kirschenman

Director, Government Banking

300 S Grand Avenue

Los Angeles, CA 90071

C: 213-408-9748

matthew.kirschenman@bankofthewest.com



BANK OF THE WEST
BNP PARIBAS

COVER LETTER

December 14, 2021

Ha To
Chief of Debt Management
City of Los Angeles
Ha.to@lacity.org

RE: Request for Proposals for Private Placement

Dear Ha To:

Bank of the West (the “Bank” or “BOTW”) is pleased to submit our proposal to the City of Los Angeles Community Facilities District No. 8 (Legends at Cascades (the “CFD”) for a direct placement of \$5,475,000 of Special Tax Refunding Bonds, Series 2022 (“2022 Bonds”).

Bank of the West is a member of BNP Paribas Group, one of the largest and healthiest banks in the world. We are a financially sound, California State-Chartered bank and California State approved depository bank, headquartered in San Francisco, California. BOTW Public Finance is a major provider of credit facilities in the form of letters of credit, private placements, direct purchase facilities, lines of credit, funded loans and leases to municipal borrowers.

We have provided approximately \$300 million in credit facilities to municipal borrowers over the last 12 months, including a \$110 million line of credit to back the San Diego County Water Authority’s commercial paper program and a \$100 million line to back Los Angeles County Department of Water & Power’s bonds. Additional municipal borrowers include the State of California, LA County, Tri-County Metropolitan Transportation District, and the City of Portland.

We appreciate this opportunity to submit our proposal and support the City’s financing needs by providing this direct placement.

Sincerely,



Christine Armani-Dawood
Public Finance Director
christine.armani-dawood@bankofthewest.com



Matthew Kirschenman, Director
Senior Relationship Manager
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Request for Proposals
City of Los Angeles
Community Facilities District No. 8 (Legends at Cascades)
Special Tax Refunding Bonds, Series 2022

Attachment A – Private Placement Proposal Form

Series 2022 Bonds

As described in the Request for Proposals, the Series 2022 Bonds will consist of a single term bond subject to mandatory sinking fund redemption, in part on September 1 in each year, commencing September 1, 2022 through the maturity on September 1, 2040 as follows:

Preliminary Sinking Fund Redemption*

<u>Year</u>	<u>Principal Amount to be Redeemed*</u>	<u>Year</u>	<u>Principal Amount to be Redeemed*</u>
9/1/2022	\$175,000	9/1/2032	295,000
9/1/2023	170,000	9/1/2033	310,000
9/1/2024	175,000	9/1/2034	330,000
9/1/2025	190,000	9/1/2035	350,000
9/1/2026	205,000	9/1/2036	365,000
9/1/2027	220,000	9/1/2037	390,000
9/1/2028	235,000	9/1/2038	405,000
9/1/2029	250,000	9/1/2039	425,000
9/1/2030	265,000 <i>Maturity</i>	9/1/2040	<u>445,000</u>
9/1/2031	275,000	Total	<u>\$5,475,000</u>

**Preliminary and subject to change*

Proposed Interest Rate:

2.15% Purchaser’s proposed interest rate for the Series 2022 Bonds with a 9/1/31 optional redemption at par

**If the City formally selects the Bank for this transaction, the rate will be locked to the anticipated closing date of January 27, 2022.*

Requirements Applicable to Series 2022 Bonds

- Purchaser’s not-to-exceed legal costs paid from the Series 2022 Bond proceeds are expected to be \$10,000. Purchaser’s Counsel (name of attorney and law firm): Rudy Salo / Nixon Peabody LLP.
- Unless otherwise noted below, this Proposal complies with the Request for Proposals for the Series 2022 Bonds, dated December 1, 2021. **Please describe conditions or modifications below if any:**
Default Rate: The Bank’s Base Rate plus 1.00%. The Bank’s Base Rate is equal to the Interest Rate, calculated based on a 365-day year and actual days elapsed.

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The undersigned certifies that it is a Qualified Institutional Buyer, that it has the necessary licenses and/or approvals to do business in California, and that it has authority to purchase the Series 2022 Bonds. The undersigned certifies that it has not relied on any information provided by the CFD or Piper Sandler & Co. other than the Request for Proposals and attached documents provided by the CFD.

This proposal will be firm until January 27, 2022.

DATED on this December 14, 2021

Respectfully submitted,

Bank of the West

Proposer

By Christine Armani-Dawood, Director

Authorized Representative

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