

**ANNUAL REPORT OF COMMUNITY FACILITIES DISTRICT NO. 3
 (VALENCIA/NEWHALL AREA)
 OF THE COUNTY OF LOS ANGELES
 RELATING TO
\$7,345,000.00
 COMMUNITY FACILITIES DISTRICT NO. 3
 (VALENCIA/NEWHALL AREA)
 OF THE COUNTY OF LOS ANGELES
 IMPROVEMENT AREA C SPECIAL TAX REFUNDING BONDS
 SERIES 2012A
 AS OF JUNE 30, 2013**

The following information is being provided by Community Facilities District No.3 (Valencia/Newhall Area) of the County of Los Angeles (the "District") pursuant to (i) Section 6.11 of the Indenture, dated as of May 1, 2003, by and among Community Facilities District No. 3 (Valencia/Newhall Area) (the "District"), the Treasurer and Tax Collector of the County of Los Angeles as Paying Agent and the Auditor-Controller of the County of Los Angeles, as Fiscal Agent, and (ii) Section 4 of the Continuing Disclosure Undertaking, dated May 1, 2003 (the "Disclosure Undertaking"), of the District relating to the Community Facilities District No. 3 (Valencia/Newhall Area) of the County of Los Angeles Improvement Area C Special Tax Bonds Series 2012A (the "Bonds").

1.	Principal amount of bonds outstanding:	\$ 7,345,000.00
	Principal amount of bonds authorized:	\$ 9,000,000.00
2.	Cash Balance in Reserve Fund:	\$ 538,281.26
	Reserve Requirement:	\$ 538,281.26
3.	Cash Balance in other funds and accounts:	
	Cost of Issuance:	\$ 5,764.29
	Special Tax Fund:	\$ 700,777.47
	Bond Service Fund:	\$ 0.00
	Rebate Fund:	\$ 0.00
	Redemption Fund:	\$ 0.00
	Administrative Expense Fund:	\$ 100,094.11
	Exempt Earnings Fund:	\$ 1,385.89
	Non-Exempt Earnings Fund:	\$ 1,491.13
4.	Total assessed value of all parcels subject to the Improvement Area C Special Tax:	\$ 218,385,410.00

5. Delinquency information on all parcels within Improvement Area C including:

Special Tax levied:	\$ 571,874.39
Number of parcels subject to the levy:	243
Delinquency rate:	1.47%

6. Status of special tax foreclosure proceedings and summary of results of foreclosure sales, if available:

There were no foreclosure proceedings.

7. Identity of any delinquent taxpayer (by specific title holder and excluding related entities) representing in the aggregate more than 5% of the Improvement Area C special tax levy:

There were no delinquent taxpayers responsible for more than 5% of special taxes levied.

8. A land ownership summary listing ownerships from records of County Assessor responsible for more than 5% of the Improvement Area C Special Tax levy for the current fiscal year, percentage of levy and whether land is categorized as "developed property" or as "undeveloped property" pursuant to the rate and method of apportionment of special tax of the District for the Improvement Area.

Property Owner	Developed or Undeveloped	Number of Parcels	2012-2013 Special Tax Levy	% Total 2012-13 Special Tax Levy
NP PARC Chateaux Inc	Developed	1	\$118,295.28	20.69%
Fountainglen Properties LP	Developed	2	109,072.25	19.07%

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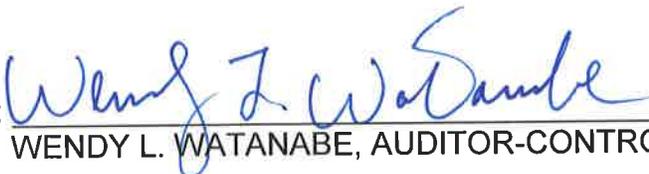
ANY SUBSEQUENT STATEMENTS REGARDING THE BONDS OTHER THAN A STATEMENT MADE BY THE FISCAL AGENT IN AN OFFICIAL RELEASE OR SUBSEQUENT NOTICE OR ANNUAL REPORT, PUBLISHED IN A FINANCIAL NEWSPAPER OF GENERAL CIRCULATION AND/OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) AND THE NATIONALLY RECOGNIZED MUNICIPAL SECURITIES INFORMATION REPOSITORY (NRMSIR), ARE NOT AUTHORIZED BY THE DISTRICT OR THE FISCAL AGENT. NEITHER THE DISTRICT NOR THE FISCAL AGENT SHALL BE RESPONSIBLE FOR THE ACCURACY, COMPLETENESS, OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENT.

THIS REPORT IS BEING FILED PURSUANT TO THE CONTINUING DISCLOSURE UNDERTAKING AND DOES NOT PURPORT TO CONTAIN ALL MATERIAL INFORMATION WITH RESPECT TO THE BONDS OR THE FINANCIAL CONDITION OF THE DISTRICT.

NEITHER THE DISTRICT NOR THE FISCAL AGENT HAS ANY OBLIGATION TO UPDATE THIS REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE CONTINUING DISCLOSURE UNDERTAKING.

DATED: JANUARY 15, 2014

AUDITOR-CONTROLLER OF THE
COUNTY OF LOS ANGELES

By: 
WENDY L. WATANABE, AUDITOR-CONTROLLER