

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
RIVERSIDE ESTABLISHING COMMUNITY FACILITIES  
DISTRICT NO. 2021-2 (RIVERPOINTE/PARK PLACE) OF  
THE CITY OF RIVERSIDE, AUTHORIZING THE LEVY OF  
SPECIAL TAXES AND CALLING AN ELECTION THEREIN**

**WHEREAS**, the City Council (the “City Council”) of the City of Riverside, California (the “City”) has heretofore adopted Resolution No. 23747 (the “Resolution of Intention”) stating its intention to form Community Facilities District No. 2021-2 (Riverpointe/Park Place) of the City of Riverside (the “Community Facilities District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”); and

**WHEREAS**, a copy of the Resolution of Intention setting forth a description of the proposed boundaries of the Community Facilities District, the public facilities, services and the incidental expenses to be financed by the Community Facilities District (the “Facilities,” “Services” and “Incidental Expenses,” respectively) is on file with the City Clerk; and is incorporated herein by reference; and

**WHEREAS**, a combined notice of a public hearing to be held on September 7, 2021 was published and mailed to all landowners of the land proposed to be included within the Community Facilities District; and

**WHEREAS**, on September 7, 2021, the City Council opened the public hearing (the “Hearing”) as required by law; and

**WHEREAS**, at the Hearing there was filed with this City Council a report containing a description of the Facilities and Services necessary to meet the needs of the Community Facilities District and an estimate of the cost of such Facilities and Services as required by Section 53321.5 of the Act (the “Community Facilities District Report”); and

**WHEREAS**, at the Hearing all persons desiring to be heard on all matters pertaining to the proposed formation of the Community Facilities District and the levy of the special taxes and the issuance of bonded indebtedness were heard and a full and fair hearing was held; and

**WHEREAS**, at the Hearing, evidence was presented to the City Council on the matters before it, and the proposed formation of the Community Facilities District and the levy of special taxes was not precluded by a majority protest of the type described in Section 53324 of the Act, and this City Council at the conclusion of the hearing is fully advised as to all matters relating to the formation of the Community Facilities District, the levy of the special taxes and the issuance of bonded indebtedness; and

**WHEREAS**, the City Council has determined that there have been no registered voters residing in the proposed boundaries of the Community Facilities District for the period of 90 days prior to the Hearing and that the qualified electors in the Community Facilities District are the landowners within the Community Facilities District; and

**WHEREAS**, on the basis of all of the foregoing, the City Council has determined at this time to proceed with the establishment of the Community Facilities District and with the calling of an election within the boundaries of the Community Facilities District to authorize (i) the levy of special taxes within the Community Facilities District pursuant to the rate and method of apportionment of the special tax attached hereto as Exhibit “B” (the “Rate and Method”), (ii) the issuance of bonds to finance the Facilities, Services and Incidental Expenses, and (iii) the establishment of an appropriations limit for the Community Facilities District; and

**WHEREAS**, the City wishes to enter into an agreement with RCH-DME Park Place, LP, a Delaware limited partnership (“RCH”) and Passco Pacifica LLC, a Delaware limited liability company, the owners of the property (“Pacifica,” and, together with RCH, the “Owners”) in order to set forth the terms pursuant to which certain city improvements will be financed, and the legislative body of the District desires to approve the form of an Acquisition Agreement (the “Acquisition Agreement”), by and among City and the Owners, the form of which is on file with the City Clerk of the City, and has been presented to this City Council for approval; and

**WHEREAS**, certain school facilities to be owned by Riverside Unified School District (“Riverside USD”) which are described in Exhibit B of the Resolution of Intention may be financed by the Community Facilities District (the “Riverside USD Facilities”), and, prior to financing any Riverside USD Facilities, a joint community facilities agreement by and among the City, Riverside USD and RCH (or the successor to RCH within the Community Facilities District) shall be entered into (the “Riverside Joint Community Facilities Agreement”); and

**WHEREAS**, certain school facilities to be owned by Alvord Unified School District (“Alvord USD”) which are described in Exhibit B of the Resolution of Intention may be financed by the Community Facilities District (the “Alvord USD Facilities”), and, prior to financing any Alvord USD Facilities, a joint community facilities agreement by and among the City, Alvord USD and Pacifica (or the successor to Pacifica within the Community Facilities District) shall be entered into (the “Alvord Joint Community Facilities Agreement,” and, together with the Riverside Joint Community Facilities Agreement, the “Joint Community Facilities Agreements”); and

**WHEREAS**, the Community Facilities District reasonably expects that the special taxes to be levied within the Community Facilities District and proceeds of the obligations of the Community Facilities District will finance a larger share of City Facilities than Riverside USD Facilities or the Alvord USD Facilities.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF RIVERSIDE AS FOLLOWS:**

Section 1. Each of the above recitals is true and correct.

Section 2. A Community Facilities District to be designated “Community Facilities District No. 2021-2 (Riverpointe/Park Place) of the City of Riverside” is hereby established pursuant to the Act. The City Council hereby finds and determines that all prior proceedings taken with respect to the establishment of the Community Facilities District were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1(b) of the Act.

Section 3. The boundaries of the Community Facilities District are established as shown on the map designated “Proposed Boundary Map Community Facilities District No. 2021-2 (Riverpointe/Park Place) City of Riverside, County of Riverside, State of California”, which map is on file in the office of the City Clerk and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Riverside Book of Boundary Maps in the County Recorder’s Office.

Section 4. The types of Facilities, Services and Incidental Expenses authorized to be provided for the Community Facilities District are those set forth in the Resolution of Intention. The estimated cost of the Facilities, Services and Incidental Expenses to be financed is set forth in the Community Facilities District Report, which estimates may change as the Facilities are designed and bid for construction and acquisition.

The City of Riverside is authorized by the Act to contribute revenue to, or to construct or acquire the Facilities, all in accordance with the Act. The City Council finds that the proposed Facilities are necessary to meet the increased demand that will be placed upon public infrastructure and City as a result of new development within the Community Facilities District.

The City Council finds and determines that the proposed Services are public services as defined in the Act and are necessary to meet the increased demand that will be placed upon local agencies and public infrastructure as a result of new development within the District and that the Services to be financed benefit residents of the City and the future residents of the District.

Section 5. The City Council hereby adopts the Rate and Method attached hereto as Exhibit “B” as the applicable rate and method of apportionment for the Community Facilities District. Except where funds are otherwise available, it is the intention of the City Council, subject to the approval of the eligible voters within the Community Facilities District, to levy the proposed special taxes in the Community Facilities District at the rates set forth in the Rate and Method hereto on all non-exempt property within the Community Facilities District sufficient to pay for (i) the Facilities and Services, and the principal and interest and other periodic costs on the bonds proposed to be issued by the Community Facilities District to finance the Facilities, Services and Incidental Expenses, including the establishment and replenishment of reserve funds, any remarketing, credit enhancement and liquidity facility fees (including such fees for instruments which serve as the basis of a reserve fund in lieu of cash) and other expenses of the type permitted by Section 53345.3 of the Act; and (ii) the Incidental Expenses. The Community Facilities District expects to incur, and in certain cases has already incurred, Incidental Expenses in connection with the creation of the Community Facilities District, the issuance of bonds, the levying and collecting of the special tax, the completion and inspection of the Facilities and the annual administration of the bonds and the Community Facilities District. The Rate and Method is described in detail in Exhibit “B” hereto, and the City Council hereby finds that said Exhibit “B” hereto contains sufficient detail to allow each landowner within the Community Facilities District to estimate the maximum amount of the special tax for Facilities (“Special Tax A”) and Services (“Special Tax B”) that may be levied against each parcel. As described in greater detail in the Community Facilities District Report, which is incorporated by reference herein, the special taxes are based on the expected demand that each parcel of real property within the Community Facilities District will place on the Facilities and Services and, accordingly, are hereby determined to be reasonable. The special taxes shall be levied on each assessor’s parcel pursuant to the Rate and Method, but Special Tax A shall not be levied after Fiscal Year 2061-62. The special taxes are apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act and such special taxes are not an ad valorem tax on or a tax based upon the ownership of real property.

The City's Chief Financial Officer will be responsible for preparing annually, or authorizing a designee to prepare, a current roll of special tax levy obligations by assessor's parcel number and will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Act.

Section 6. In the event that a portion of the property within the Community Facilities District shall become for any reason exempt, wholly or partially, from the levy of the special taxes specified in the Rate and Method, the City Council shall, on behalf of the Community Facilities District, increase the levy of special taxes to the extent necessary and permitted by law and these proceedings upon the remaining property within the Community Facilities District which is not delinquent or exempt in order to yield the required debt service payments on any outstanding bonds of the Community Facilities District or to prevent the Community Facilities District from defaulting on any other obligations or liabilities of the Community Facilities District; provided, however, that under no circumstances shall such special taxes in the Community Facilities District be increased in any fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within the Community Facilities District by more than ten percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

Section 7. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all non-exempt real property in the Community Facilities District; and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the special tax by the Community Facilities District on behalf of the Community Facilities District ceases.

Section 8. Consistent with Section 53325.6 of the Act, the City Council finds and determines that the land within the Community Facilities District, if any, devoted primarily to agricultural, timber or livestock uses and being used for the commercial production of agricultural, timber or livestock products is contiguous to other land within the Community Facilities District and will be benefited by the Facilities proposed to be provided within the Community Facilities District.

Section 9. It is hereby further determined that there is no ad valorem property tax currently being levied on property within the proposed Community Facilities District for the exclusive purpose of paying the principal of or interest on bonds or other indebtedness incurred to finance the construction of capital facilities which provide the same services to the territory of the Community Facilities District as are proposed to be provided by the Facilities and Services to be financed by the Community Facilities District.

Section 10. Written protests against the establishment of the Community Facilities District have not been filed by one-half or more of the registered voters within the boundaries of the Community Facilities District or by the property owners of one-half or more of the area of land within the boundaries of the Community Facilities District. The City Council hereby finds that the proposed special tax has not been precluded by a majority protest pursuant to Section 53324 of the Act.

Section 11. An election is hereby called for the Community Facilities District on the propositions of levying the special tax on the property within the Community Facilities District and establishing an appropriations limit for the Community Facilities District pursuant to Section 53325.7 of the Act and shall be consolidated with the election on the proposition of incurring bonded indebtedness for the Community Facilities District, pursuant to Section 53351 of the Act. The

propositions to be placed on the ballot for the Community Facilities District are attached hereto as Exhibit "A".

Section 12. The date of the election within the Community Facilities District shall be September 7, 2021, or such later date as is consented to by the City Clerk and the landowners within the Community Facilities District. The City Clerk shall conduct the election. Except as otherwise provided by the Act, the election shall be conducted by personally delivered or mailed ballot and, except as otherwise provided by the Act, the election shall be conducted in accordance with the provisions of law regulating elections of the City insofar as such provisions are determined by the City Clerk to be applicable.

It is hereby found that there are no registered voters within the territory of the Community Facilities District, and, pursuant to Section 53326 of the Act, each landowner who is the owner of record on the date hereof, or the authorized representative thereof, shall have one vote for each acre or portion thereof that he, she or it owns within the Community Facilities District. The voters shall be the landowners of record within the Community Facilities District as of September 7, 2021.

Section 13. The preparation of the Community Facilities District Report is hereby ratified. The Community Facilities District Report, as submitted, is hereby approved and made a part of the record of the public hearing regarding the formation of the Community Facilities District, and is ordered to be kept on file with the transcript of these proceedings and open for public inspection.

Section 14. The form of the Acquisition Agreement presented at this meeting is hereby approved; and any one of the Mayor, the City Manager, the Chief Financial Officer/City Treasurer of the City, or their written designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers") are hereby authorized and directed to execute the Acquisition Agreement in the form hereby approved, with such additions thereto and changes therein as the Authorized Officer or Authorized Officers executing the same deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 15. The forms of the Joint Community Facilities Agreements presented at this meeting are hereby approved; and any one of Authorized Officers are hereby authorized and directed to execute the Joint Community Facilities Agreements in the forms hereby approved, with such additions thereto and changes therein as the Authorized Officer or Authorized Officers executing the same deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 16. This Resolution shall be effective upon its adoption.

ADOPTED by the City Council this 7th day of September, 2021.

---

PATRICIA LOCK DAWSON  
Mayor of the City of Riverside

ATTEST:

---

DONESIA GAUSE  
City Clerk of the City of Riverside

CERTIFICATION

I, Donesia Gause, City Clerk of the City of Riverside, certify that the foregoing resolution was regularly and duly adopted by the City Council of the City of Riverside at a regular meeting held on the 7th day of September, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Riverside this 7th day of September, 2021.

---

DONESIA GAUSE  
City Clerk of the City of Riverside

**EXHIBIT “A”**

**SAMPLE BALLOT**

**COMMUNITY FACILITIES DISTRICT NO. 2021-2 (RIVERPOINTE/PARK PLACE)  
OF THE CITY OF RIVERSIDE**

**SPECIAL TAX AND SPECIAL BOND ELECTION**

September 7, 2021

This ballot represents \_\_\_\_ votes.

To vote, write or stamp a cross (“+” or “X”) in the voting square after the word “YES” or after the word “NO”. All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the City Clerk of the City of Riverside and obtain another.

PROPOSITION A: Shall Community Facilities District No. 2021-2 (Riverpointe/Park Place) of the City of Riverside (the “Community Facilities District”) incur an indebtedness and issue bonds for the Community Facilities District in the maximum principal amount of \$5,500,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Facilities, Services and the Incidental Expenses described in Resolution No. 23747 of the City Council of the City of Riverside (the “Resolution of Intention”)?

YES\_\_\_\_\_

NO\_\_\_\_\_

PROPOSITION B: Shall special taxes, pursuant to the rate and method of apportionment set forth in the Resolution establishing the Community Facilities District, be levied to pay for the Facilities, Services and Incidental Expenses and the principal of and interest on bonds issued to finance the Facilities, Services and Incidental Expenses and the other purposes described in the Resolution of Intention?

YES\_\_\_\_\_

NO\_\_\_\_\_

PROPOSITION C: For each year commencing with Fiscal Year 2022-23, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the Community Facilities District be an amount equal to \$5,500,000?

YES\_\_\_\_\_

NO\_\_\_\_\_

## **EXHIBIT “B”**

### **RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 2021-2 (RIVERPOINTE/PARK PLACE) OF THE CITY OF RIVERSIDE**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Tax A and Special Tax B of Community Facilities District No. 2021-2 (Riverpointe/Park Place) of the City of Riverside (“CFD No. 2021-2”). A Special Tax A and Special Tax B shall be levied on and collected in CFD No. 2021-2 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. All real property within CFD No. 2021-2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

#### **SECTION A DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**“Acquisition Agreement”** means the Acquisition Agreement by and between the City and the property owner, or such successor, as it may be amended.

**“Acre” or “Acreage”** means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on the Assessor’s Parcel Map, the land area as shown on the applicable Final Map, or if the land area is not shown on the applicable Final Map, the land area shall be calculated by the Administrator or City Engineer.

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

**“Administrative Expenses”** means all actual or reasonably estimated costs and expenses of the District that are chargeable or allocable to carry out its duties as the administrator as allowed by the Act, which shall include without limitation the following actual or reasonably estimated costs related to the administration of CFD No. 2021-2: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City, designee thereof, or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2021-2, or any designee thereof complying with arbitrage rebate requirements; the costs to the City, CFD No. 2021-2, or any designee thereof complying with City or major property owner disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs associated with the release of funds from an escrow account; and the costs associated with the issuance of Bonds, the City’s annual administration fees, and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2021-2 for any other administrative purposes, including attorney’s fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.



**“Administrator”** means an official of the City, or designee thereof, responsible for, among other things, determining the annual amount of the levy and collection of the Special Taxes.

**“Annual Special Tax A”** means for each Assessor’s Parcel, the Special Tax A actually levied in a given Fiscal Year on any Assessor’s Parcel.

**“Annual Special Tax B”** means for each Assessor’s Parcel, the Special Tax B actually levied in a given Fiscal Year on any Assessor’s Parcel.

**“Approved Property”** means all Assessor’s Parcels of Taxable Property other than Provisional Undeveloped Property: (i) that are included in a Final Map that was recorded prior to the January 1st preceding the Fiscal Year in which the Special Tax A is being levied, and (ii) that have not been issued a building permit on or before March 1st preceding the Fiscal Year in which the Special Tax A is being levied.

**“Assessor’s Parcel”** means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number within the boundaries of CFD No. 2021-2.

**“Assessor’s Parcel Map”** means an official map of the Assessor of the County designating parcels by Assessor’s Parcel Number.

**“Assessor’s Parcel Number”** means that number assigned to a lot or parcel of land by the County Assessor for purposes of identification.

**“Assigned Special Tax A”** means the Special Tax A of that name described in Section D below.

**“Backup Special Tax A”** means the Special Tax A of that name described in Section E below.

**“Bonds”** means those bonds or any other debt issued by or on behalf of CFD No. 2021-2, or any refunding thereof, to which Special Tax A within CFD No. 2021-2 has been pledged.

**“Boundary Map”** means a recorded map of the CFD No. 2021-2 which indicates the boundaries of CFD No. 2021-2.

**“Building Square Footage”** or **“BSF”** means the square footage of assessable internal living space, exclusive of garages or other structures not used as living space, as determined by reference to the building permit application for such Assessor’s Parcel and subject to verification by the City.

**“Calendar Year”** means the period commencing January 1 of any year and ending the following December 31.

**“CFD No. 2021-2”** or **“CFD”** means Community Facilities District No. 2021-2 of the City of Riverside established by the City under the Act.

**“City”** means the City of Riverside, or its designee.

**“City Council”** means the City Council of the City of Riverside, acting as the legislative body of CFD No. 2021-2, or its designee.

**“Consumer Price Index” or “CPI”** means the index published monthly by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Riverside-San Bernardino-Ontario area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the Administrator that is reasonably comparable to the Consumer Price Index for the Riverside-San Bernardino-Ontario area.

**“County”** means the County of Riverside.

**“Developed Property”** means all Assessor’s Parcels of Taxable Property other than Provisional Undeveloped Property that: (i) are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which the Special Taxes are to be levied, and (ii) a building permit was issued on or before March 1st preceding the Fiscal Year in which the Special Taxes are to be levied.

**“Dwelling Unit”** means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental separate from adjacent residential dwelling units.

**“Exempt Property”** means all Assessor’s Parcels designated as being exempt from the Special Taxes as provided for in Section L.

**“Final Map”** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4285 that creates individual lots for which building permits may be issued without further subdivision.

**“Fiscal Year”** means the period commencing July 1 of any year and ending the following June 30.

**“Indenture”** means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

**“Land Use Type”** means Residential Property or Non-Residential Property as assigned in the tables in Section D.

**“Lot”** means an individual legal lot created by a Final Map for which a Building Permit could be issued.

**“Maximum Special Tax A”** means for each Assessor’s Parcel of Taxable Property, the maximum Special Tax A, determined in accordance with Section C that can be levied in any given Fiscal Year on such Assessor’s Parcel.

**“Maximum Special Tax B”** means for each Assessor’s Parcel of Developed Property, the maximum amount of Special Tax B, determined in accordance with Section H that can be levied in any given Fiscal Year on such Assessor’s Parcel.

**“Minimum Acreage”** means the smallest allowable amount of taxable acreage. For CFD No. 2021-2, it shall not be less than 5.75 acres. The minimum acreage per Zone is as follows: (i) Zone 1 – 3.39 acres and (ii) Zone 2 – 2.36 acres.

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit was issued for any type of non-residential use.

**“Operating Fund for Services”** means a fund that shall be maintained for CFD No. 2021-2 for any Fiscal Year to pay for the actual costs of providing the Services and the Administrative Expenses attributable to providing such Services.

**“Operating Fund Balance”** means the amount of funds in the Operating Fund for Services at the end of the preceding Fiscal Year.

**“Partial Prepayment Amount”** means the amount required to prepay a portion of the Special Tax A obligation for an Assessor’s Parcel, as described in Section G.

**“Prepayment Amount”** means the amount required to prepay the Special Tax A obligation in full for an Assessor’s Parcel, as described in Section G.

**“Property Owner Association”** means a corporation formed by a real estate developer, or its successors, which was formed for the purpose of marketing, selling, and managing the common interests of the homes and lots within CFD No. 2021-2.

**“Property Owner’s Association Property”** means all Assessor’s Parcels which, as of July 1st of the Fiscal Year in which the Special Taxes are to be levied, have been conveyed, dedicated to, or irrevocably offered for dedication to the Property Owner Association, including any master or sub-association.

**“Proportionately”** means for Special Tax A that the ratio of the Special Tax A levy to the applicable Assigned Special Tax A is equal for all applicable Assessor’s Parcels. In the case of Special Tax B, means that the ratio of the Special Tax B levy to the applicable Maximum Special Tax B is equal for all applicable Assessor’s Parcels. In case of Developed Property subject to the apportionment of the Special Tax A under Step Four of Section F, “Proportionately” means that the quotient of (a) Special Tax A less the Assigned Special Tax A divided by (b) the Backup Special Tax A less the Assigned Special Tax A, is equal for all applicable Assessor’s Parcels.

**“Provisional Undeveloped Property”** means all Assessor’s Parcels of Taxable Property subject to Special Tax A that would otherwise be classified as Exempt Property pursuant to the provisions of Section L, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required Minimum Acreage set forth in this Section A.

**“Public Property”** means all Assessor’s Parcels which, as of July 1st of the Fiscal Year in which the Special Tax is being levied, are used for rights-of-way or any other purpose and is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County, or any other local jurisdiction, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units, which is not Multifamily Residential Property.

**“Services”** means the services permitted under the Act including, without limitation, street sweeping, traffic signal maintenance, the maintenance of landscaping and lighting of publicly owned parks, parkways, streets, roads and open spaces, flood and storm protection services, and the operation of storm drainage systems contained within the boundaries of CFD No. 2021-2 and the City.

**“Special Tax(es)”** means, collectively, Special Tax A and Special Tax B authorized to be levied within CFD No. 2021-2 pursuant to the Act to fund the Special Tax A Requirement and the Special Tax B Requirement.

**“Special Tax A”** means any of the special taxes authorized to be levied on Taxable Property within CFD No. 2021-2 pursuant to the Act to fund the Special Tax A Requirement.

**“Special Tax B”** means the special tax authorized to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property to fund the Special Tax B Requirement.

**“Special Tax A Requirement”** means, subject to the Maximum Special Tax A, the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses (apportioned between Special tax A and Special Tax B), (iii) the costs associated with the release of funds from an escrow account, (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of facilities or payment of fees authorized by CFD No. 2021-2 by the levy on Developed Property of the Assigned Special Tax A, as required by the Acquisition Agreement provided that the inclusion of such amount does not cause an increase in the levy of Special Tax A on Approved Property or Undeveloped Property as set forth in Step Two and Three of Section F, less (vi) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable fiscal agent agreement, or trust agreement.

**“Special Tax B Requirement”** means the amount to be collected in any Fiscal Year to pay for certain costs as required to meet the needs of CFD No. 2021-2 for Services in both the current Fiscal Year and the next Fiscal Year. The costs to be covered shall be the (i) direct costs for Services, (ii) amount necessary to fund an operating reserve for the costs of Services as determined by the Administrator, and (iii) Administrative Expenses, less (iv) a credit in an amount equal to the Operating Fund Balance. Under no circumstances shall the Special Tax B Requirement include funds for Bonds.

**“Taxable Property”** means all Assessor’s Parcels within CFD No. 2021-2, which are not Exempt Property.

**“Trustee”** means the firm that holds and administers assets on behalf of CFD No. 2021-2 under and pursuant to the Indenture.

**“Undeveloped Property”** means all Assessor’s Parcels of Taxable Property which are not Developed Property, Approved Property or Provisional Undeveloped Property.

**“Zone(s)”** means Zone 1 or 2 as geographically identified on the Boundary Map.

**“Zone 1”** means the specific geographic area as depicted on the Boundary Map.

**“Zone 2”** means the specific geographic area as depicted on the Boundary Map.

## **SECTION B**

### **CLASSIFICATION OF ASSESSOR’S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2021-2022, each Assessor’s Parcel within CFD No. 2021-2 shall be classified as Taxable Property or Exempt Property. In addition, each Assessor’s

Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, Undeveloped Property, or Provisional Undeveloped Property. In addition, each Assessor's Parcel of Developed Property shall further be classified as Residential Property or Non-Residential Property. Lastly, Assessor's Parcels of Residential Property shall be further categorized into Land Use Type based on the Building Square Footage for such Assessor's Parcel.

## **SECTION C MAXIMUM SPECIAL TAX A**

Prior to the issuance of Bonds, the Assigned Special Tax A for Developed Property, Approved Property, Undeveloped Property, Provisional Undeveloped Property, and the Backup Special Tax may be reduced in accordance with and subject to the conditions set forth in this Section C without the need for any proceedings to make changes as permitted under the Act.

The Assigned Special Tax A for Approved Property, Undeveloped Property and for Provisional Undeveloped Property will be reduced as a result of a reduction in the Backup Special Tax A for Developed Property as provided in the preceding paragraph. Each reduction for a Land Use Type shall be calculated separately, as reasonably determined by the Administrator, and it shall not be required that such reduction be proportionate among Land Use Types. The reductions permitted pursuant to this Section C shall be reflected in an amended notice of Special Tax lien which the City shall cause to be recorded by executing a certificate in substantially the form attached herein as Exhibit A.

### **1. Developed Property**

The Maximum Special Tax A for each Assessor's Parcel of Residential Property that is classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax A in the tables included in Section D below or (ii) the application of the Backup Special Tax A described in Section E below. The Maximum Special Tax A for each Assessor's Parcel of Non-Residential Property that is classified as Developed Property in any Fiscal Year shall be the Assigned Special Tax A in the tables included in Section D below.

### **2. Approved Property, Undeveloped Property, and Provisional Undeveloped Property**

The Maximum Special Tax A for each Assessor's Parcel classified as Approved Property, Undeveloped Property, or Provisional Undeveloped Property in any Fiscal Year shall be the Assigned Special Tax A as set forth in Section D below.

## **SECTION D ASSIGNED SPECIAL TAX A**

### **1. Developed Property**

Each Fiscal Year, beginning with Fiscal Year 2021-22, each Assessor's Parcel of Developed Property shall be subject to an Assigned Special Tax A. The Assigned Special Tax A applicable to an Assessor's Parcel of Developed Property for any Fiscal Year shall be determined pursuant to Tables 1 or 2 below based upon the Zone in which the Assessor's Parcel is located.

**TABLE 1**  
**ASSIGNED SPECIAL TAX A**  
**FOR DEVELOPED PROPERTY WITHIN ZONE 1**

<b>Land Use Type</b>	<b>Building Square Footage</b>	<b>Assigned Special Tax A</b>
Residential Property	Less than 1,851	\$2,830 per Dwelling Unit
Residential Property	1,851 – 2,050	\$2,970 per Dwelling Unit
Residential Property	2,051 – 2,250	\$3,110 per Dwelling Unit
Residential Property	Greater than 2,250	\$3,250 per Dwelling Unit
Non-Residential Property	N/A	\$43,666 per Acre

**TABLE 2**  
**ASSIGNED SPECIAL TAX A**  
**FOR DEVELOPED PROPERTY WITHIN ZONE 2**

<b>Land Use Type</b>	<b>Building Square Footage</b>	<b>Assigned Special Tax A</b>
Residential Property	Less than 1,750	\$2,645 per Dwelling Unit
Residential Property	1,750 – 1,900	\$2,705 per Dwelling Unit
Residential Property	Greater than 1,900	\$2,765 per Dwelling Unit
Non-Residential Property	N/A	\$63,119 per Acre

**2. Approved Property, Undeveloped Property and Provisional Undeveloped Property**

Each Fiscal Year, beginning with Fiscal Year 2021-22, each Assessor's Parcel of Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be subject to an Assigned Special Tax A. The Assigned Special Tax A rate for an Assessor's Parcel classified as Approved Property, Undeveloped Property or Provisional Undeveloped Property shall be determined pursuant to Table 3 below based upon the Zone in which the Assessor's Parcel is located.

**TABLE 3**  
**ASSIGNED SPECIAL TAX A**  
**FOR APPROVED PROPERTY, UNDEVELOPED PROPERTY,**  
**AND PROVISIONAL UNDEVELOPED PROPERTY**

<b>Zone</b>	<b>Assigned Special Tax A</b>
Zone 1	\$43,666 per Acre
Zone 2	\$63,119 per Acre

**SECTION E**  
**BACKUP SPECIAL TAX A**

At the time a Final Map is recorded, the Backup Special Tax A for all Assessor's Parcels classified or reasonably expected to be classified as Residential Property within such Final Map area shall be determined by multiplying the Maximum Special Tax A rate for Undeveloped Property by the total Acreage of Taxable Property in such Final Map, excluding the Provisional Undeveloped Property Acreage, and/or Non-Residential Property Acreage if any, in such Final Map and any Acreage

reasonably expected to be classified as Exempt Property, and dividing such amount by the total number of such Assessor's Parcels of Residential Property.

The Backup Special Tax A for Non-Residential Property shall be its Assigned Special Tax A rate.

Notwithstanding the foregoing, if Assessor's Parcels which are classified or to be classified as Residential Property or Non-Residential are subsequently changed by recordation of a lot line adjustment, Final Map amendment, new Final Map or similar instrument, then the Backup Special Tax A shall be recalculated within the area that has been changed to equal the amount of Backup Special Tax A that would have been generated if such change did not take place.

## **SECTION F**

### **METHOD OF APPORTIONMENT OF THE SPECIAL TAX A**

Commencing Fiscal Year 2021-2022 and for each subsequent Fiscal Year, the City Council shall levy Special Tax A on all Taxable Property until the amount of Special Tax A equals the Special Tax A Requirement in accordance with the following steps:

- Step One: The Special Tax A shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax A in the tables included in Section D as needed to satisfy the Special Tax A Requirement.
- Step Two: If additional moneys are needed to satisfy the Special Tax A Requirement after the first step has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the applicable Assigned Special Tax A to satisfy the Special Tax A Requirement.
- Step Three: If additional moneys are needed to satisfy the Special Tax A Requirement after the first two steps have been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Special Tax A for Undeveloped Property applicable to each such Assessor's Parcel as needed to satisfy the Special Tax A Requirement.
- Step Four: If additional moneys are needed to satisfy the Special Tax A Requirement after the first three steps have been completed, then the Special Tax A on each Assessor's Parcel of Developed Property for which the Maximum Special Tax A is the Backup Special Tax A shall be increased Proportionately from the Assigned Special Tax A up to 100% of the Backup Special Tax A as needed to satisfy the Special Tax A Requirement.
- Step Five: If additional moneys are needed to satisfy the Special Tax A Requirement after the first four steps have been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Special Tax A applicable to each such Assessor's Parcel as needed to satisfy the Special Tax A Requirement.

Under no circumstances will the Special Tax A levied against any Assessor's Parcel used as a private residence be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel or Parcels within the CFD by more than ten percent (10%) of the Special Tax A that would have been levied in that Fiscal Year, had there never been any such delinquencies or defaults, pursuant to

California Government Code Section 53321(d), as in effect on the date of formation of CFD No. 2021-2.

## **SECTION G PREPAYMENT OF SPECIAL TAX A**

The following definition applies to this Section G:

**“CFD Public Facilities”** means \$2,965,119, expressed in 2021 dollars, which shall increase by the Construction Inflation Index on July 1, 2022, and on each July 1 thereafter, or such lower number as (i) shall be determined by the Administrator as sufficient to provide the public facilities under the authorized bonding program, or (ii) shall be determined by the City Council concurrently with a covenant that the CFD will not issue any more Bonds to be supported by the Special Tax A levied under this Rate and Method of Apportionment.

**“Construction Fund”** means, collectively, all accounts specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act and any accounts established prior to the issuance of Bonds for such purpose.

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

**“Future Facilities Costs”** means the CFD Public Facilities minus: (i) Bond proceeds deposited in the Construction Fund and (ii) other amounts (special taxes, interest earnings, etc.) allocated to the Construction Fund that were available to fund such CFD Public Facilities prior to the date of prepayment.

**“Outstanding Bonds”** means all previously issued Bonds, which will remain outstanding after the payment of principal from the amount of the Special Tax A that has been levied, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of the Special Tax A.

### **1. Prepayment in Full**

The Special Tax A obligation may be prepaid and permanently satisfied for: (i) Parcels of Developed Property, (ii) Parcels of Approved Property, Undeveloped Property, or Provisional Undeveloped Property for which a Building Permit has been issued, (iii) Parcels of Approved Property, Undeveloped Property or Provisional Undeveloped Property for which a Building Permit has not been issued, and (iv) Parcels of Public Property or Property Owners’ Association Property that are not Exempt Property pursuant to Section L. The Special Tax A obligation applicable to a Parcel may be fully prepaid and the obligation to pay the Special Tax A for such Parcel permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax A obligation for such Parcel shall provide the Administrator with written notice of intent to prepay, and within five (5) business days of receipt of such notice, the Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by the CFD in calculating the Prepayment



Amount (as defined below) for the Parcel. Within fifteen (15) days of receipt of such non-refundable deposit, the Administrator shall notify such owner of the Prepayment Amount for the Parcel. Prepayment must be made not less than sixty (60) days prior to the redemption date for any Bonds to be redeemed with the proceeds of such prepaid Special Tax A.

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

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
<b>equals</b>	<b>Prepayment Amount</b>

The Prepayment Amount shall be determined as of the proposed prepayment date as follows:

1. Confirm that no Special Tax A delinquencies apply to such Parcel.
2. For a Parcel of Developed Property, compute the Maximum Special Tax A for the Parcel. For a Parcel of Approved Property or Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax A for the Parcel as though it was already designated as Developed Property, based upon the Building Permit which has been issued for the Parcel. For a Parcel of Approved Property or Undeveloped Property for which a Building Permit has not been issued, Public Property or Property Owners' Association Property to be prepaid, compute the Maximum Special Tax A for the Parcel.
3. Divide the Maximum Special Tax A derived pursuant to paragraph 2 by the total amount of the Special Tax A that could be levied at build out of all Parcels of Taxable Property based on the applicable Maximum Special Tax A for all such Parcels of Taxable Property not including any Parcels for which the Special Tax A obligation has been previously prepaid.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Determine the Future Facilities Costs.
7. Multiply the quotient derived pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to determine the portion of the Future Facilities Costs applicable to the Parcel (the "Future Facilities Amount").
8. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds on which Bonds can be redeemed from Special Tax A prepayments.

9. Determine the amount of Special Tax A to be levied on the Parcel in the current Fiscal Year which has not yet been paid.

10. Determine the amount the Administrator reasonably expects to derive from the investment of the Bond Redemption Amount and the Redemption Premium from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the Prepayment Amount.

11. Add the amounts derived pursuant to paragraphs 8 and 9 and subtract the amount derived pursuant to paragraph 10 (the “Defeasance Amount”).

12. Verify the administrative fees and expenses of the CFD, including the cost of computation of the Prepayment Amount, the cost to invest the Prepayment Amount, the cost of redeeming the Outstanding Bonds, and the cost of recording notices to evidence the prepayment of the Special Tax A obligation for the Parcel and the redemption of Outstanding Bonds (the “Administrative Fees and Expenses”).

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

14. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance Amount and the Administrative Fees and Expenses, less the Reserve Fund Credit.

15. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make debt service payments. The Future Facilities Amount shall be deposited into the Construction Fund. The Administrative Fees and Expenses shall be retained by the CFD.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such event, the increment above \$5,000, or an integral multiple thereof, will be retained in the appropriate fund established under the Indenture to be used with the next redemption from other Special Tax A prepayments of Outstanding Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year’s Special Tax A levy as determined pursuant to paragraph 9 above, the Administrator shall remove the current Fiscal Year’s Special Tax A levy for the Parcel from the County tax roll. With respect to any Parcel for which the Special Tax A obligation is prepaid, the City Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax A obligation and the release of the Special Tax A lien for the Parcel, and the obligation to pay the Special Tax A for such Parcel shall cease.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless the amount of Maximum Special Tax A that may be levied on all Parcels of Taxable Property after the proposed

prepayment will be at least 1.10 times maximum annual debt service on the Bonds that will remain outstanding after the prepayment plus the estimated annual Administrative Expenses.

Tenders of Bonds in prepayment of the Special Tax A obligation may be accepted upon the terms and conditions established by the City Council pursuant to the Act. However, the use of Bond tenders shall only be allowed on a case-by-case basis as specifically approved by the City Council.

## **2. Prepayment in Part**

The Special Tax obligation for a Parcel of Developed Property, Approved Property, or Undeveloped Property may be partially prepaid. For purposes of determining the partial prepayment amount, the provisions of Section G.1 shall be modified as provided by the following formula:

$$PP = ((P_E - A) \times F) + A$$

These terms have the following meaning:

PP = Partial Prepayment

P<sub>E</sub> = the Prepayment Amount calculated according to Section G.1

F = the percent by which the owner of the Parcel(s) is partially prepaying the Special Tax A obligation

A = the Administrative Fees and Expenses determined pursuant to Section G.1

The owner of a Parcel who desires to partially prepay the Special Tax A obligation for the Parcel shall notify the Administrator of: (i) such owner's intent to partially prepay the Special Tax A obligation, (ii) the percentage of the Special Tax A obligation such owner wishes to prepay, and (iii) the company or agency that will be acting as the escrow agent, if any. Within five (5) days of receipt of such notice, the Administrator shall notify such property owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by the CFD in calculating the amount of a partial prepayment. Within fifteen (15) business days of receipt of such non-refundable deposit, the Administrator shall notify such owner of the amount of the Partial Prepayment for the Parcel. A Partial Prepayment must be made not less than sixty (60) days prior to the redemption date for the Outstanding Bonds to be redeemed with the proceeds of the Partial Prepayment.

With respect to any Parcel for which the Special Tax A obligation is partially prepaid, the Administrator shall: (i) distribute the Partial Prepayment as provided in Paragraph 15 of Section G.1 and (ii) indicate in the records of the CFD that there has been a Partial Prepayment for the Parcel and that a portion of the Special Tax A obligation equal to the remaining percentage (1.00 - F) of the Special Tax A obligation will continue on the Parcel pursuant to Section F.

Notwithstanding the foregoing, no Special Tax A partial prepayment shall be allowed unless the amount of Maximum Special Tax A that may be levied on all Parcels of Taxable Property after the proposed partial prepayment will be at least 1.10 times maximum annual debt service on the Bonds that will remain outstanding after the partial prepayment plus the estimated annual Administrative Expenses.

**SECTION H**  
**MAXIMUM SPECIAL TAX B**

**1. Developed Property**

**Maximum Special Tax B**

The Maximum Special Tax B for each Assessor's Parcel of Developed Property for each Land Use Type is shown in the Tables below for Zones 1 and 2.

**TABLE 4**  
**MAXIMUM SPECIAL TAX B**  
**FOR DEVELOPED PROPERTY WITHIN ZONE 1**

<b>Land Use Type</b>	<b>Rate</b>
Residential Property	\$112 per Unit
Non-Residential Property	\$1,580 per Acre

**TABLE 5**  
**MAXIMUM SPECIAL TAX B**  
**FOR DEVELOPED PROPERTY WITHIN ZONE 2**

<b>Land Use Type</b>	<b>Rate</b>
Residential Property	\$286 per Unit
Non-Residential Property	\$6,657 per Acre

On each July 1, commencing July 1, 2022, the Maximum Special Tax B for Developed Property for the prior Fiscal Year shall be increased by the greater of: (i) an amount equal to the percentage change increase in the Consumer Price Index for the twelve-month period ending in March of the prior Fiscal Year or (ii) three percent (3%).

**2. Approved Property**

The Maximum Special Tax B for each Assessor's Parcel of Residential and Non-Residential Property that is classified as Approved Property in Fiscal Year 2021-22 shall be \$1,580 per Acre for parcels within Zone 1 and \$6,657 per Acre for parcels within Zone 2.

On each July 1, commencing July 1, 2022, the Maximum Special Tax B for Approved Property for the prior Fiscal Year shall be increased by the greater of: (i) an amount equal to the percentage change increase in the Consumer Price Index for the twelve-month period ending in March of the prior Fiscal Year or (ii) three percent (3%).

**2. Undeveloped Property and Provisional Undeveloped Property**

No Special Tax B shall be levied on Undeveloped Property and Provisional Undeveloped Property.

**SECTION I**  
**METHOD OF APPORTIONMENT OF THE SPECIAL TAX B**

Commencing Fiscal Year 2021-2022 and for each subsequent Fiscal Year, the City Council shall levy Special Tax B on all Taxable Property until the amount of Special Tax B equals the Special Tax B Requirement in accordance with the following steps:

- Step One:      The Special Tax B shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax B as needed to satisfy the Special Tax B Requirement.
- Step Two:      If additional moneys are needed to satisfy the Special Tax B after the first step has been completed, the Special Tax B shall be levied Proportionately on each Assessor's Parcel of Approved Property, at up to 100% of the Maximum Special Tax B applicable to each such Assessor's Parcel as needed to satisfy the Special Tax B Requirement.

**SECTION J**  
**PREPAYMENT OF SPECIAL TAX B**

Special Tax B cannot be prepaid.

**SECTION K**  
**TERMINATION OF SPECIAL TAX A AND SPECIAL TAX B**

For each Fiscal Year that any Bonds are outstanding the Special Tax A shall be levied on all Assessor's Parcels subject to the Special Tax A. If any delinquent Special Tax A remains uncollected prior to or after all Bonds are retired, the Special Tax A may be levied to the extent necessary to reimburse CFD No. 2021-2 for uncollected Special Taxes A associated with the levy of such Special Tax A, but no later than 2061-62 Fiscal Year. The Special Tax B shall be levied as long as each is needed to meet the Special Tax B Requirement as determined at the sole discretion of the City Council.

**SECTION L**  
**EXEMPT PROPERTY**

The City shall classify as Exempt Property: (i) Assessor's Parcels defined as Public Property, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a Property Owner's Association, or (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement.

Notwithstanding the above, the City Council shall not classify an Assessor's Parcel as Exempt Property within a Zone if such classification would reduce the sum of the Taxable Property to less than the Minimum Acreage for that Zone as defined in Section A above. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of the Taxable Property to less than the Minimum Acreage per Zone will continue to be classified as Taxable Property, and will continue to be subject to Special Taxes accordingly.

Tax-exempt status will be assigned by the Administrator in chronological order. If an Assessor's Parcel's classification is changed after the initial status is assigned, then its tax-exempt status will be revoked.

## **SECTION M APPEALS AND INTERPRETATIONS**

Any property owner claiming that the amount or application of the Special Tax A or Special Tax B is not correct may file a written notice of appeal with the Administrator not later than twelve (12) months after having paid the first installment of the Special Tax A or Special Tax B that is disputed. A representative(s) of CFD No. 2021-2 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax A or Special Tax B, and rule on the appeal. If the representative's decision requires that the Special Tax A or Special Tax B for an Assessor's Parcel be modified or changed in favor of the property owner, the representative shall take any of the following actions, in order of priority, to correct the error:

- (i) if possible, amend the Special Tax levy on the property owner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date;
- (ii) require CFD No. 2021-2 to reimburse the property owner for the amount of the overpayment to the extent of available CFD No. 2021-2 funds; or
- (iii) grant a credit against, eliminate or reduce the future Special Taxes on the property owner's Assessor's Parcel(s) in the amount of the overpayment.

## **SECTION N MANNER OF COLLECTION**

The Special Tax A or Special Tax B shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2021-2 may collect Special Tax A and Special Tax B at a different time or in a different manner if necessary to meet its financial obligations.

## **SECTION O INTERPRETATIONS**

The City Council may interpret this Rate and Method of Apportionment of Special Tax by ordinance or resolution for purposes of clarifying any vagueness or ambiguity. Any decision of the City Council shall be final and binding as to all persons.

## EXHIBIT A

### CERTIFICATE TO ADJUST SPECIAL TAX A DISTRICT CERTIFICATE

1. Pursuant to Section D of the Rate and Method of Apportionment (“RMA”), Community Facilities District No. 2021-2 of the City of Riverside (“District”) hereby approves a reduction in the Assigned Special Tax for Developed Property, Approved Property, Undeveloped Property, and Provisional Undeveloped Property within the District.
  - a. The information in the Table(s) relating to the Fiscal Year 2021-22 Assigned Special Tax A for Developed Property within the District shall be modified as follows:

**TABLE 1  
ASSIGNED SPECIAL TAX A  
FOR DEVELOPED PROPERTY WITHIN ZONE 1**

Land Use Type	Building Square Footage	Assigned Special Tax A
Residential Property	Less than 1,851	\$ __, ____. __ per Dwelling Unit
Residential Property	1,851 – 2,050	\$ __, ____. __ per Dwelling Unit
Residential Property	2,051 – 2,250	\$ __, ____. __ per Dwelling Unit
Residential Property	Greater than 2,250	\$ __, ____. __ per Dwelling Unit
Non-Residential Property	N/A	\$ __, ____. __ per Acre

**TABLE 2  
ASSIGNED SPECIAL TAX A  
FOR DEVELOPED PROPERTY WITHIN ZONE 2**

Land Use Type	Building Square Footage	Assigned Special Tax A
Residential Property	Less than 1,750	\$ __, ____. __ per Dwelling Unit
Residential Property	1,750 – 1,900	\$ __, ____. __ per Dwelling Unit
Residential Property	Greater than 1,900	\$ __, ____. __ per Dwelling Unit
Non-Residential Property	N/A	\$ __, ____. __ per Acre

- b. The Fiscal Year 2021-22 Assigned Special Tax A for each Assessor’s Parcel of Approved Property, Undeveloped Property, and Provisional Undeveloped Property, as adjusted annually, pursuant to Section D.2 of the RMA shall be determined pursuant to Table 3 below based upon the Zone in which the Assessor’s Parcel is located. The Backup Special Tax A for Developed Property shall be recalculated pursuant to Section E of the RMA based on the foregoing adjusted Assigned Special Tax per Acre for Undeveloped Property.

**TABLE 3**  
**ASSIGNED SPECIAL TAX A**  
**FOR APPROVED PROPERTY, UNDEVELOPED PROPERTY,**  
**AND PROVISIONAL UNDEVELOPED PROPERTY**

<b>Zone</b>	<b>Assigned Special Tax A</b>
Zone 1	\$ __, ____. __ per Acre
Zone 2	\$ __, ____. __ per Acre

**Date:** \_\_\_\_\_ **20**\_\_

**By:** \_\_\_\_\_  
**Administrator**