

**BEFORE
THE BOARD OF SUPERVISORS
OF THE COUNTY OF MADERA
STATE OF CALIFORNIA**

In the matter of)	Resolution No. 2022-_____
)	
COUNTY OF MADERA)	A RESOLUTION OF INTENTION TO
COMMUNITY FACILITIES DISTRICT)	ESTABLISH A COMMUNITY FACILITIES
NO. 2022-01 (GUNNER RANCH PUBLIC)	DISTRICT, DESIGNATE IMPROVEMENT
SERVICES))	AREAS THEREIN AND AUTHORIZE THE
)	LEVY OF SPECIAL TAXES THEREIN
_____)	

WHEREAS, the County of Madera (the “County”) has received petitions signed by the owners of more than 10% of the area of the land which is proposed for inclusion in a proposed community facilities district which meets the requirements of Sections 53318 and 53319 of the Government Code of the State of California (the “Petitions”); and

WHEREAS, the Board of Supervisors of the County (the “Board”) desires to adopt this resolution of intention as provided in Section 53321 of the Government Code of the State of California to (1) establish a community facilities district consisting of the territory described in Attachment “A” hereto and incorporated herein by this reference, which the Board hereby determines shall be known as “County of Madera Community Facilities District No. 2022-01 (Gunner Ranch Public Services)” (“Community Facilities District No. 2022-01” or the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the “Act”), (2) designate two (2) improvement areas of the District to be referred to as “Improvement Area No. 1” and “Improvement Area No. 2” (each, an “Improvement Area”) and (3) authorize the levy of an annual special tax in each Improvement Area in order to finance (a) the maintenance and lighting of parks, parkways, streets, open space and trails, and flood and storm protection services within the Improvement Area, including the operation

and maintenance of storm drainage systems (the “Authorized Maintenance Services”), all as described in Attachment “B” hereto and incorporated herein by this reference, (b) certain public safety services for the Improvement Area (the “Authorized Public Safety Services” and, together with the Authorized Maintenance Services, the “Services”), all as described in Attachment “B” hereto and incorporated herein by this reference, (c) a share of the expenses to be incurred in connection with administering the District and administering Community Facilities District No. 2022-02 (Gunner Ranch Public Facilities One-Time Special Taxes) (the “Administrative Expenses”) and (d) for Improvement Area No. 1, from special taxes collected within Improvement Area No. 1 only, certain public facilities (the “Improvement Area No. 1 Facilities”), all as described in Attachment B hereto and incorporated herein by this reference; and

WHEREAS, it is the intention of the Board to consider financing the Services and the Administrative Expenses for each Improvement Area, as well as the Improvement Area No. 1 Facilities, through the formation of Community Facilities District No. 2022-01 and the levy of special taxes to pay for the Services and Administrative Expenses in each Improvement Area, as well as the levy of special taxes in Improvement Area No. 1 to pay for the Improvement Area No. 1 Facilities.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Madera, State of California, that:

SECTION 1. The Board hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Board hereby acknowledges receipt of the Petitions and makes them part of the proceedings to form the District.

SECTION 3. The Board proposes to conduct proceedings to establish the District and the Improvement Areas therein pursuant to the Act.

SECTION 4. The name proposed for the District is “County of Madera Community Facilities District No. 2022-01 (Gunner Ranch Public Services).” Pursuant to Government Code Section 53350, the District shall consist of the two (2) Improvement Areas. All proceedings for the purpose of authorizing and levying special taxes shall apply separately to each Improvement Area.

SECTION 5. The proposed boundaries of the District include the entirety of any parcel subject to taxation by the District and such boundaries, including those of each Improvement Area, are depicted on the boundary map of the proposed Community Facilities District No. 2022-01 which is on file with the Clerk of the Board. The Clerk of the Board is hereby directed to sign the original boundary map of the District and record it with all proper endorsements thereon with the County Recorder of Madera within 15 days after the adoption of this Resolution.

SECTION 6. The Services proposed to be provided for the benefit of each Improvement Area of Community Facilities District No. 2022-01 are public services as defined in the Act. The Board hereby finds and determines that the description of the Authorized Maintenance Services and Authorized Public Safety Services herein is sufficiently informative to allow taxpayers within each Improvement Area of the proposed District to understand what the special taxes of the District collected within each Improvement Area may be used to finance. The Administrative Expenses expected to be incurred include the costs of levying and collecting the special taxes within the proposed District and the cost of administration of the proposed District and Community Facilities District No. 2022-02 (Gunner Ranch Public Facilities One-Time Special Taxes). In addition,

the Board hereby determines that the Improvement Area No. 1 Facilities are necessary to meet increased demands placed upon the County and CSA 22C as the result of development occurring within Improvement Area No. 1.

SECTION 7. It is the intention of the Board to levy annually in accordance with the procedures contained in the Act, special taxes secured by recordation of a continuing lien against all nonexempt real property in the respective Improvement Area and sufficient to pay for the Authorized Maintenance Services and Authorized Public Safety Services and the Administrative Expenses of the respective Improvement Area and, with respect to special taxes levied in Improvement Area No. 1, sufficient to pay for Improvement Area No. 1 Facilities. The rate and method of apportionment and manner of collection of the special taxes for each Improvement Area (each, a “Rate and Method”) are described in detail in Attachments “C-1” and “C-2” attached hereto, which attachments are incorporated herein by this reference. The Rate and Method allows each landowner within an Improvement Area to estimate the maximum amount that may be levied against each parcel.

The special taxes are based on the expected demand that each parcel of real property within each Improvement Area will place on the Services. The Board hereby determines that the Services are necessary to meet the increased demand placed upon the County and County Service Area No. 22C of the County (“CSA 22C”) as a result of the development of the land proposed for inclusion in the District. The Board hereby determines each Rate and Method set forth in Attachments “C-1” and “C-2” to be reasonable. 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 on or based upon the value or ownership of real property.

SECTION 8. A public hearing (the “Hearing”) on the establishment of the proposed Community Facilities District No. 2022-01, the designation of the Improvement Areas, the proposed Rate and Method of special taxes of each Improvement Area to finance the Services and Administrative Expenses and, with respect to Improvement Area No. 1, to finance the Improvement Area No. 1 Facilities, shall be held at 10:30 a.m., or as soon thereafter as practicable, on January 24, 2023, at the Board of Supervisors chambers, 200 West 4th Street, Madera, California. Should the Board determine to form the District, a special election will be held for each Improvement Area to authorize the levy of the special taxes in accordance with the procedures contained in Government Code Section 53326. If held, the proposed voting procedure at the election will be a landowner vote with each landowner who is the owner of record of land within the Improvement Area at the close of the Hearing, or the authorized representative thereof, having one vote for each acre or portion thereof owned within the Improvement Area. Ballots for the special election may be distributed by mail or by personal service.

SECTION 9. At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within proposed Community Facilities District No. 2022-01, may appear and be heard.

SECTION 10. The County Administrative Officer is hereby directed to study the proposed District and, at or before the time of the above-mentioned Hearing, file a report with the Board containing (a) a brief description of Services by type which will in his or her opinion be required to meet adequately the needs of Community Facilities District No. 2022-01 and an estimate of the cost of providing those Services and (b) a description of the Improvement Area No. 1 Facilities by type which will be required to adequately meet the

needs of Improvement Area No. 1 and an estimate of the fair and reasonable cost of the Improvement Area No. 1 Facilities.

SECTION 11. The Clerk of the Board is hereby directed to publish a notice (the "Notice") of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of proposed Community Facilities District No. 2022-01. The Clerk of the Board may also mail a copy of the Notice to each landowner within the boundaries of the District at least 15 days prior to the Hearing. The Notice shall contain the text or a summary of this Resolution, the time and place of the Hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in each Improvement Area of the proposed District and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

SECTION 12. This Resolution shall be effective upon its adoption.

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The foregoing Resolution was adopted this ____ day of _____, 2022, by the following vote:

Supervisor Frazier voted: _____

Supervisor Rogers voted: _____

Supervisor Poythress voted: _____

Supervisor Gonzalez voted: _____

Supervisor Wheeler voted: _____

Chairman, Board of Supervisors

ATTEST:

Clerk, Board of Supervisors

Approved as to Legal Form:
COUNTY COUNSEL

By: **Dale E. Bacigalupi**

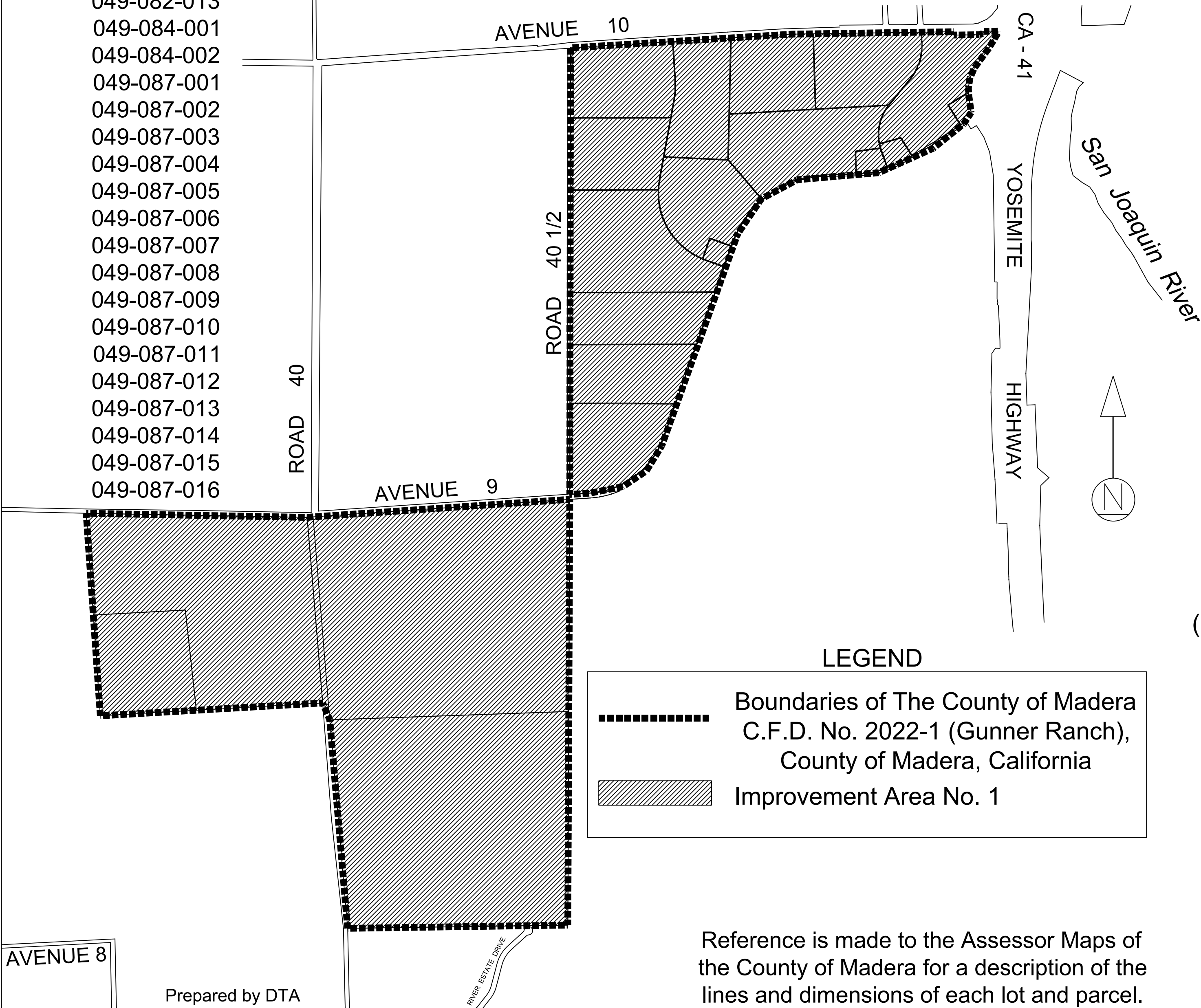
Digitally signed by: Dale E. Bacigalupi
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dbacigalupi@lozanosmith.com C =
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ATTACHMENT A
Proposed Boundaries
County of Madera Community Facilities District No. 2022-01
(Gunner Ranch Public Services)

PROPOSED BOUNDARIES OF
COUNTY OF MADERA
COMMUNITY FACILITIES DISTRICT NO. 2022-1
(GUNNER RANCH)
COUNTY OF MADERA
STATE OF CALIFORNIA

Assessor Parcels within
Improvement Area No. 1 of
County of Madera C.F.D. No.
2022-1 (Gunner Ranch):

- 049-082-012
- 049-082-013
- 049-084-001
- 049-084-002
- 049-087-001
- 049-087-002
- 049-087-003
- 049-087-004
- 049-087-005
- 049-087-006
- 049-087-007
- 049-087-008
- 049-087-009
- 049-087-010
- 049-087-011
- 049-087-012
- 049-087-013
- 049-087-014
- 049-087-015
- 049-087-016



(1) Filed in the office of the Clerk of the Board of Supervisors of the County of Madera this ____ day of _____, 2022.

Clerk of the Board, County of Madera

(2) I hereby certify that the within map showing the proposed boundaries of the County of Madera Community Facilities District No. 2022-1 (Gunner Ranch), Madera County, State of California, was approved by the Board of Supervisors of the County of Madera at a regular meeting thereof, held on the ____ day of _____, 2022, by its Resolution No. _____.

Clerk of the Board, County of Madera

(3) Filed this ____ day of _____, 2022, at the hour of ____ o'clock __m, in Book _____ of Maps of Assessment and Community Facilities Districts at page _____ and as Instrument No. _____ in the office of the County Recorder of Madera County, State of California.

Rebecca Martinez, County Clerk-Recorder & Registrar of Voters, County of Madera

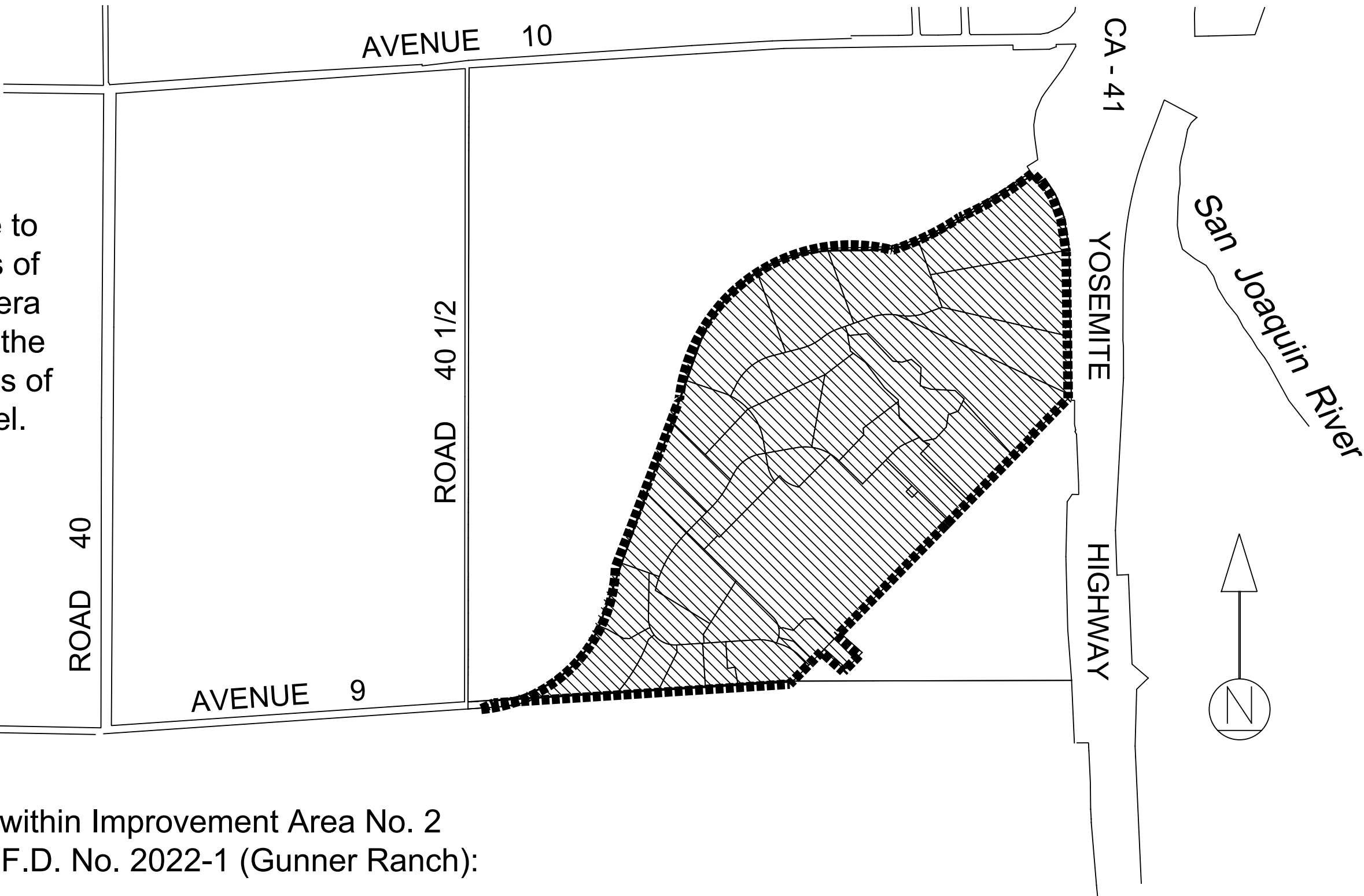
By _____ Deputy

Fee _____

Reference is made to the Assessor Maps of the County of Madera for a description of the lines and dimensions of each lot and parcel.

PROPOSED BOUNDARIES OF
COUNTY OF MADERA
COMMUNITY FACILITIES DISTRICT NO. 2022-1
(GUNNER RANCH)
COUNTY OF MADERA
STATE OF CALIFORNIA

Reference is made to the Assessor Maps of the County of Madera for a description of the lines and dimensions of each lot and parcel.



Assessor Parcels within Improvement Area No. 2
County of Madera C.F.D. No. 2022-1 (Gunner Ranch):

049-085-007	049-680-005	049-680-017
049-086-003	049-680-006	049-680-018
049-086-004	049-680-007	049-680-019
049-086-011	049-680-008	049-680-020
049-086-012	049-680-009	049-680-021
049-086-014	049-680-010	049-680-022
049-086-021	049-680-011	049-680-023
049-086-022	049-680-012	049-680-024
049-680-001	049-680-013	049-680-025
049-680-002	049-680-014	049-680-026
049-680-003	049-680-015	049-680-027
049-680-004	049-680-016	049-680-028

LEGEND

	Boundaries of The County of Madera
	C.F.D. No. 2022-1 (Gunner Ranch),
	County of Madera, California
	Improvement Area No. 2

(1) Filed in the office of the Clerk of the Board of Supervisors of the County of Madera this ____ day of _____, 2022.

Clerk of the Board, County of Madera

(2) I hereby certify that the within map showing the proposed boundaries of the County of Madera Community Facilities District No. 2022-1 (Gunner Ranch), Madera County, State of California, was approved by the Board of Supervisors of the County of Madera at a regular meeting thereof, held on the ____ day of _____, 2022, by its Resolution No. _____.

Clerk of the Board, County of Madera

(3) Filed this ____ day of _____, 2022, at the hour of ____ o'clock __m, in Book _____ of Maps of Assessment and Community Facilities Districts at page _____ and as Instrument No. _____ in the office of the County Recorder of Madera County, State of California.

Rebecca Martinez, County Clerk-Recorder & Registrar
of Voters, County of Madera

By _____
Deputy

Fee _____

ATTACHMENT B
Types of Maintenance Services and Public Safety Services
to be Financed by
County of Madera Community Facilities District No. 2022-01
(Gunner Ranch Public Services)

The services which may be funded with proceeds of the special tax of each Improvement Area of CFD No. 2022-01, as provided by Section 53313 of the Act, will include some or all of the costs attributable to the Authorized Maintenance Services and Authorized Public Safety Services described below. Capitalized terms used and not defined herein shall have the meanings set forth in the Rate and Method of Apportionment of Special Tax for each Improvement Area of CFD No. 2022-01.

Improvement Area No. 1

The Authorized Maintenance Services and Authorized Public Safety Services to be provided within the boundaries of Improvement Area No. 1 include the following:

1. Authorized Maintenance Services

- Maintenance and lighting of parks, parkways, streets, roads and open space within Improvement Area No. 1.
- Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, plowing and removal of snow and sandstorm protection systems within Improvement Area No. 1.
- Maintenance and operation of any real property or other tangible property within Improvement Area No. 1 with an estimated useful life of five or more years that is owned by the County.

2. Authorized Public Safety Services

- Police protection services for Improvement Area No. 1.
- Fire protection and suppression services and ambulance and paramedic services for Improvement Area No. 1.

Improvement Area No. 2

The Authorized Maintenance Services and Authorized Public Safety Services to be provided within the boundaries of Improvement Area No. 2 include the following:

1. Authorized Maintenance Services

- Maintenance and lighting of parks, parkways, streets, roads and open space within Improvement Area No. 2.

- Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, plowing and removal of snow and sandstorm protection systems within Improvement Area No. 2.
- Maintenance and operation of any real property or other tangible property within Improvement Area No. 2 with an estimated useful life of five or more years that is owned by the County.

2. Authorized Public Safety Services

- Police protection services for Improvement Area No. 2.
- Fire protection and suppression services and ambulance and paramedic services for Improvement Area No. 2.

In addition to payment of the cost and expense of the foregoing Services, proceeds of the special tax may be expended to pay “Administrative Expenses” of each Improvement Area as said term is defined in each Rate and Method of Apportionment.

Improvement Area No. 1 Facilities

The types of facilities authorized to be funded with the proceeds of the special taxes of Improvement Area No. 1 of CFD No. 2022-01, as provided by Section 53313.5 of the Act (the “Improvement Area No. 1 Facilities”), are as follows:

1. Authorized Public Facilities. The Authorized Public Facilities may include:

- street improvements, storm drain improvements, water and sewer improvements, parks, trails and open spaces within or required to serve development within the Improvement Area; and
- any real property or other tangible property with an estimated useful life of five or more years that is owned and operated by the County or any other public agency in accordance with the Act and is required to serve development within the Improvement Area.

The Authorized Public Facilities shall include the attributable costs of engineering, design, planning, materials testing, coordination, construction staking and construction and all other expenses incidental to the construction, completion and inspection of the Authorized Public Facilities.

The District may also finance or fund, and the special taxes may also be used to pay for the purchase, construction, expansion, improvement or rehabilitation of any of the Authorized Public Facilities, and to reimburse the County, the District or any third parties for advances made to purchase, construct, expand, improve or rehabilitate any of the Authorized Public Facilities.

The Authorized Public Facilities described in this Attachment B are representative of the types of improvements to be financed by Improvement Area No. 1 of the District. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the County. Addition, deletion or modification of descriptions of Authorized Public Facilities and may be made consistent with the requirements of the Board of Supervisors of the County and the Act.

**ATTACHMENT C-1
[TO COME]
RATE AND METHOD OF APPORTIONMENT FOR
COUNTY OF MADERA COMMUNITY FACILITIES DISTRICT NO. 2022-01
(GUNNER RANCH PUBLIC SERVICES), IMPROVEMENT AREA NO. 1**

**RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 1 OF COUNTY OF MADERA
COMMUNITY FACILITIES DISTRICT NO. 2022-1
(GUNNER RANCH PUBLIC SERVICES)**

The Special Tax, as hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 1 ("IA No. 1") of County of Madera Community Facilities District No. 2022-1 (Gunner Ranch Public Services) ("CFD No. 2022-1") and collected each Fiscal Year commencing in Fiscal Year 2022-2023, in an amount determined by the County Board of Supervisors through the application of the Special Tax for Taxable Property, as described below. All of the real property in IA No. 1, unless exempted by the provisions hereof, shall be taxed for these purposes, to the extent and in the manner herein provided.

A DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Dwelling Unit" or "ADU" means a secondary Dwelling Unit of limited size, as defined in California Government Code Section 65852.2, that is an accessory to an existing single-unit dwelling. The ADU may be located on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel.

"Acre" or "Acreage" means the land area in acres of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area in acres shown on the applicable final map, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

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

"Administrative Expenses" means the following actual or reasonably estimated annual costs directly related to the administration of IA No. 1: the costs of computing and preparing the annual Special Tax collection schedule (whether by the County or any designee thereof or both); the costs of collecting the Special Tax (whether by the County or otherwise); the costs associated with preparing the Special Tax disclosure statements and responding to public inquiries regarding the Special Tax; and the costs to the County, IA No. 1, or any designee thereof related to an appeal of the Special Tax; and the County's annual administration fees and third-party expenses directly related to the administration of IA No. 1. Administrative Expenses shall also include amounts estimated or advanced by the County or IA No. 1 for any other administrative purposes of IA No. 1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes. In addition, Administrative Expenses shall include any unfunded Administrative Expenses of CFD No. 2022-2 (IA No. 1).

“Administrative Expenses of CFD No. 2022-2 (IA No. 1)” means the following actual or reasonably estimated annual costs directly related to the administration of IA No. 1 of CFD No. 2022-2; (i) the costs of computing and collecting the One-Time Special Taxes (whether by the County or otherwise); (ii) the costs to the County, CFD No. 2022-2 (IA No. 1), or any designee thereof of administration of Authorized Public Facilities Tax Credits; (iii) the costs to the County, CFD No. 2022-2 (IA No. 1), or any designee thereof of complying with County or CFD No. 2022-2 disclosure requirements; (iv) the costs associated with responding to public inquiries regarding the One-Time Special Taxes; (v) the costs of the County, CFD No. 2022-2 (IA No. 1) or any designee thereof related to an appeal of the One-Time Special Taxes; and (vi) the County’s annual administration fees and third-party expenses directly related to the administration of CFD No. 2022-2 (IA No. 1). Administrative Expenses shall also include amounts estimated or advanced by the County or CFD No. 2022-2 (IA No. 1) for any other administrative purposes of CFD No. 2022-2 (IA No. 1), including attorney’s fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent One-Time Special Taxes.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

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

“Authorized Dry Infrastructure” means all public facilities authorized to be financed by CFD No. 2022-2 (IA No. 1) as described in the Implementation Agreement, except for Authorized Fire Protection Facilities and Authorized Wet Utilities.

“Authorized Dry Infrastructure Sinking Fund” means funds accumulated through the levying of Special Taxes in a given Fiscal Year to build up a sinking fund to pay for capital costs resulting from the deterioration of Authorized Dry Infrastructure financed by CFD No. 2022-2 (IA No. 1) as described in the Implementation Agreement, not to exceed the annual and total Authorized Dry Infrastructure Sinking Fund cost limitations called for in the Implementation Agreement. Under no circumstances shall any Authorized Wet Utilities be funded by the Authorized Dry Infrastructure Sinking Fund.

“Authorized Fire Protection Facilities” means the fire station and fire assets that are authorized to be financed by CFD No. 2022-1 (IA No. 1) as described in the Implementation Agreement.

“Authorized Fire Protection Facilities Sinking Fund” means funds accumulated through the levying of Special Taxes in a given Fiscal Year to build up a sinking fund to pay for capital costs resulting from the deterioration of Authorized Fire Protection Facilities financed by CFD No. 2022-2 (IA No. 1) not to exceed the annual and total Authorized Fire Protection Facilities Sinking Fund cost limitations set forth in the Implementation Agreement.

“Authorized Maintenance Services” means those maintenance services which substantially benefit IA No. 1 and are eligible to be funded by IA No. 1 as described in the Implementation Agreement.

“Authorized Public Facilities” means Authorized Dry Infrastructure and Authorized Wet Utilities.

“Authorized Public Facilities Tax Credits” means reimbursable payments or tax credits accrued by a landowner or developer as a result of their advance of funds under a written agreement with the County to finance the construction and dedication of Authorized Public Facilities prior to the collection of sufficient One-Time Special Tax A in CFD No. 2022-1 (IA No. 1) to fully fund the Authorized Public Facilities.

“Authorized Public Safety Services” means those public safety services which substantially benefit IA No. 1 and are eligible to be funded by IA No. 1 as described in the Implementation Agreement.

Authorized Wet Utilities” means all water, water recycling, and sewer facilities authorized to be financed by CFD No. 2022-2 (IA No. 1) as described in the Implementation Agreement.

“Building Permit” means a single permit or set of permits required to construct a new residential or non-residential structure. If a permit is issued for a foundation, parking, landscaping or other related facility or amenity, but a building permit has not yet been issued for the structure served by these facilities or amenities, such permit shall not be considered a “Building Permit” for purposes of application of the Special Taxes herein.

“CFD Administrator” means an official of IA No. 1, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“CFD No. 2022-2” means Community Facilities District No. 2022-2 (Gunner Ranch Public Facilities One-Time Special Taxes)

“Consumer Price Index” means, in any Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers, Not Seasonally Adjusted, West Urban, All Items, Base Period 1982-84=100, (Series ID: CUURA400SA0), measured as of the month of December in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index.

“Contingent Reserve Fund” means funds that may be accumulated through the levying of Special Taxes in a given Fiscal Year to cover shortfalls in Authorized Maintenance Services and Authorized Public Safety Services that may occur in future Fiscal Years, as called for in the Implementation Agreement with such funding not to exceed the annual cost limitations and total accumulated funding limits for the Maintenance Contingent Reserve Fund and Public Safety Contingent Reserve Fund set forth in the Implementation Agreement.

“County” means County of Madera.

“County Board of Supervisors” means the Board of Supervisors of the County.

“CSA No. 22C” means, in the County of Madera, Zone of Benefit C for County Services Area No. 22.

“Developed Property” means, for each Fiscal Year all Assessor’s Parcels within IA No. 1 for which a Building Permit was issued on or before June 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

“Dwelling Unit” means a building or portion thereof designed for and occupied in whole or part as a residence or sleeping place, either permanently or temporarily, by one (1) family and its guests, with sanitary facilities and one (1) kitchen provided within the unit. An Accessory Dwelling Unit shall be considered to be a Dwelling Unit for purposes of levying a Developed Property Special Tax. Boarding or lodging houses, dormitories, hotels or residential living facilities for family members of hospital patients shall not be defined as Dwelling Units, but shall be categorized as Non-Residential Property.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“IA No 1” means Improvement Area No. 1 of County of Madera Community Facilities District No. 2022-1 (Gunner Ranch Public Services). The boundaries of IA No. 1 shall be identical to the boundaries of Improvement Area No. 1 of CFD No. 2022-2.

“IA No 2” means Improvement Area No. 2 of County of Madera Community Facilities District No. 2022-1 (Gunner Ranch Public Services). The boundaries of IA No. 2 shall be identical to the boundaries of Improvement Area No. 2 of CFD No. 2022-2.

“Implementation Agreement” means the Implementation Agreement dated _____, 2022 by and among the County, on behalf of itself and CFD No. 2022-1, Valley Children’s Hospital, Gunner Ranch Inc. and Richard V. Gunner and Margaret S. Gunner, Trustees of the Gunner Revocable Trust dated March 11, 2002, as such Implementation Agreement may be amended.

“Land Use Category” means one of seven categories of Residential Property or Non-Residential Property that have been assigned different Maximum Special Tax rates, as listed in Table 1.

“Maximum Special Tax” means, for each Fiscal Year, the maximum Special Tax, determined in accordance with Section C, below, that can be levied on any Assessor’s Parcel.

“Non-Residential Property” means, in any Fiscal Year, all Parcels of Developed Property or portions of Parcels of Developed Property on which there is located Non-Residential Square Footage but no Dwelling Units. Developed Property for which a Building Permit has been issued for boarding or lodging houses, dormitories, hotels or residential living facilities for family members of hospital patients shall be considered Non-Residential Property.

“Non-Residential Square Footage” or **“Non-Residential Square Foot”** means, for a Parcel of Developed Property, the gross square footage of a building or portion of a building that is used for a non-residential purpose as determined based upon the Building Permit(s) issued for such building. The CFD Administrator, in conjunction with the County, shall make the final determination as to the amount of Non-Residential

Square Footage on a Parcel, and such determination shall be conclusive and binding. Non-Residential Square Foot means one square foot within the Non-Residential Square Footage.

“One Time Special Taxes” means Special Tax A and Special Tax B that will be levied on Parcels of Developed Property located in IA No.1 of CFD No. 2022-2 each time a Building Permit is issued, for the purpose of financing the acquisition and construction of the Authorized Public Facilities and Authorized Fire Protection Facilities.

“Property Owner Association Property” means, for each Fiscal Year, any Assessor’s Parcel within the boundaries of IA No. 1 that is owned by or irrevocably offered for transfer to a property owner association, including any master or sub-association, not including any such property that is located directly under a residential or non-residential structure.

“Proportionately” means, for Undeveloped Property, that the ratios of the actual annual Special Tax levy per Acre to the Maximum Special Tax per Acre are equal for all Assessor’s Parcels of Undeveloped Property in a given Fiscal Year. Similarly, for Developed Property, should the CFD Administrator determine that a levy equal to 100% of the Maximum Special Tax in each Land Use Category is no longer required to satisfy the Public Services Special Tax Requirement, as discussed in Section C below, the ratios of the actual annual Special Tax levy in each Land Use Category to the Maximum Special Tax in each Land Use Category shall be equal for all Assessor’s Parcels of Developed Property in that Fiscal Year.

“Public Property” means, for each Fiscal Year, any property within the boundaries of IA No. 1 that is (i) owned by or irrevocably offered for dedication to the County or another public agency; provided however that any property leased by the County or other public agency to a private entity and subject to taxation under Section 53340.1 of the Act, as such section may be amended or replaced, shall be taxed and classified in accordance with its use (ii) owned by a public utility for an unmanned facility or (iii) subject to a public or utility easement making impractical its use for purposes other than as set forth in the easement.

“Public Services” means all Authorized Public Safety Services and Authorized Maintenance Services.

“Public Services Special Tax Requirement” means that amount to be collected in any Fiscal Year using the Special Tax and any available reserve funds if necessary for IA No. 1 to pay the following costs allocable to IA No. 1 as determined by the CFD Administrator subject to the terms, conditions, and priorities set forth the Implementation Agreement:

- i. The actual costs for Authorized Maintenance Services in that Fiscal Year and the unpaid costs of Authorized Maintenance Services carried forward from prior fiscal years allocable to IA No. 1;
- ii. The actual costs for Authorized Public Safety Services in that Fiscal Year and the unpaid costs of Authorized Public Safety Services carried forward from prior fiscal years allocable to IA No. 1;
- iii. An amount to cover anticipated delinquencies for the payment of the Special Tax, based on the Special Tax delinquency rate in IA No. 1 for the preceding Fiscal Year;

- iv. Administrative Expenses, if any;
- v. Funding for the Contingent Reserve Fund, subject to the limits set forth in the Implementation Agreement;
- vii. Funding for the Authorized Dry Infrastructure Sinking Fund, subject to the limits set forth in the Implementation Agreement;
- viii. Funding for the Authorized Fire Protection Facilities Sinking Fund, subject to the limits set forth in the Implementation Agreement;
- ix. Funding to reduce Authorized Public Facilities Tax Credits, subject to the limits set forth in the Implementation Agreement; provided that Undeveloped Property Special Taxes shall not be used to reimburse Authorized Public Facilities Tax Credits.

Funds available to reduce or offset the annual Special Tax levy shall be credited against the above amounts in the following Fiscal Year. Under no circumstances shall the Public Services Special Tax Requirement include debt service payments for debt financings by IA No. 1 of CFD No. 2022-1.

“Rate and Method of Apportionment” or **“RMA”** means this Rate and Method of Apportionment of Special Tax.

“Residential Property” means Developed Property for which a Building Permit has been issued for one or more Dwelling Units. Developed Property for which a Building Permit has been issued for boarding or lodging houses, dormitories, hotels or residential living facilities for family members of hospital patients shall be considered Non-Residential Property.

“Residential Square Foot” or **“Residential Square Footage”** means the square footage of living area of a Dwelling Unit that is reflected on a Building Permit, condominium plan, or if not reflected on the Building Permit or condominium plan, on any other source of such information that is deemed by the CFD Administrator to be a reliable determination of the square footage of each Dwelling Unit within a building. Residential Square Foot means one square foot within the Residential Square Footage.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Public Services Special Tax Requirement.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of IA No. 1 which are not exempt from the Special Tax pursuant to law or Section D below.

“Undeveloped Property” means, for each Fiscal Year starting in Fiscal Year 2022-23, all Assessor’s Parcels in IA No. 1 not classified as Developed Property, Property Owner Association Property, or Public Property.

B ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessor’s Parcels within IA No. 1 shall be classified by the CFD Administrator as Developed Property, Undeveloped Property, Property Owner Association Property or Public Property, and shall be subject to annual Special Taxes in accordance with this Rate and Method of Apportionment as determined by the CFD Administrator pursuant to

Sections C and D, below. The CFD Administrator's allocation of property to each type of Land Use Category shall be conclusive and binding.

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A.1 MAXIMUM PUBLIC SERVICES SPECIAL TAX RATE FOR DEVELOPED PROPERTY

The Maximum Special Tax for Fiscal Year 2022-23 for Developed Property under each Land Use Category is shown below in Table 1.

Table 1
Maximum Special Tax for Developed Property for Fiscal Year 2022-23
Improvement Area No. 1 of CFD No. 2022-1

Land Use Class	Land Use Category	Fiscal Year 2022-23 Maximum Special Tax
Residential Property	<u>Category #1:</u> Dwelling Units with > 4,000 square feet of Residential Square Footage	\$2,536 per Dwelling Unit
Residential Property	<u>Category #2:</u> Dwelling Units with 3,000-4,000 square feet of Residential Square Footage	\$2,013 per Dwelling Unit
Residential Property	<u>Category #3:</u> Dwelling Units with 2,501-2,999 square feet of Residential Square Footage	\$1,581 per Dwelling Unit
Residential Property	<u>Category #4:</u> Dwelling Units with 2,001-2,500 square feet of Residential Square Footage	\$1,294 per Dwelling Unit
Residential Property	<u>Category #5:</u> Dwelling Units with 1,500-2,000 square feet of Residential Square Footage	\$1,150 per Dwelling Unit
Residential Property	<u>Category #6:</u> Dwelling Units with <1,500 square feet of Residential Square Footage	\$1,006 per Dwelling Unit
Non-Residential Property	Category #7	\$ 0.69 per Non- Residential Square Foot

B.1 Undeveloped Property,

The Maximum Special Tax for Undeveloped Property is \$1,100 per Acre for Fiscal Year 2022-23.

B.2 Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Tax Category. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax that can be levied for all Land Use Categories located on that Assessor's Parcel.

B.3 Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2023, the Maximum Special Tax for Developed Property and Undeveloped Property shall be increased annually by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year or two percent, not to exceed five percent within a given Fiscal Year.

C METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing with Fiscal Year 2022-2023 and for each following Fiscal Year, the CFD Administrator shall determine the Public Services Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

- Step 1 The Special Tax shall be levied on each Parcel of Developed Property at 100% of the Maximum Special Tax for Developed Property for such Fiscal Year as necessary to fund the Public Service Special Tax Requirement.
- Step 2 If additional revenue is needed after Step 1 to fully fund the Public Services Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year.

The foregoing annual levies shall be made consistent with the Implementation Agreement.

Notwithstanding the above, should the CFD Administrator make a determination that it is no longer necessary to levy a Special Tax equal to 100% of the Maximum Special Tax on Developed Property because the sum of the components of the Public Services Special Tax Requirement no longer require a 100% levy, the CFD Administrator may lower the Special Tax levy Proportionately on each Parcel of Developed Property until the Public Services Special Tax Requirement for that Fiscal Year is fully satisfied.

D EXEMPTIONS

No Special Tax shall be levied on Property Owner Association Property or Public Property in IA No. 1. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property or Public Property, such Assessor's Parcel may, upon each reclassification, no longer be exempt from the Special Tax.

E APPEALS AND INTERPRETATIONS

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of the Special Tax. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must be in writing and must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the County Board of Supervisors by filing a written notice of appeal with the clerk of the County, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must be in writing and must specify the reasons for the appellant's disagreement with the CFD Administrator's determination. The CFD Administrator may charge the appellant a reasonable fee for processing the appeal.

The County may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and

any landowner or resident appeals. Any decision of the County will be final and binding as to all persons.

F MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the County may directly bill the Special Tax or may collect the Special Tax at a different time or in a different manner if necessary or otherwise advisable to meet its financial obligations for IA No. 1, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

G TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to meet the Public Services Special Tax Requirement unless no longer required to pay for the Public Services or the reimbursement of holders of Authorized Public Facilities Tax Credits, as determined at the discretion of the County Board of Supervisors.

**ATTACHMENT C-2
[TO COME]
RATE AND METHOD OF APPORTIONMENT FOR
COUNTY OF MADERA COMMUNITY FACILITIES DISTRICT NO. 2022-01
(GUNNER RANCH PUBLIC SERVICES), IMPROVEMENT AREA NO. 2**

**RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 2 OF COUNTY OF MADERA
COMMUNITY FACILITIES DISTRICT NO. 2022-1
(GUNNER RANCH PUBLIC SERVICES)**

The Special Tax, as hereinafter defined, shall be levied on all Assessor's Parcels of Taxable Property in Improvement Area No. 2 ("IA No. 2") of County of Madera Community Facilities District No. 2022-1 (Gunner Ranch Public Services) ("CFD No. 2022-1") and collected each Fiscal Year commencing in Fiscal Year 2022-2023, in an amount determined by the County Board of Supervisors through the application of the Special Tax for Taxable Property, as described below. All of the real property in IA No. 2, unless exempted by the provisions hereof, shall be taxed for these purposes, to the extent and in the manner herein provided.

A DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Dwelling Unit" or "ADU" means a secondary Dwelling Unit of limited size, as defined in California Government Code Section 65852.2, that is an accessory to an existing single-unit dwelling. The ADU may be located on the same Assessor's Parcel as the single-unit dwelling or on a separate Assessor's Parcel.

"Acre" or "Acreage" means the land area in acres of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area in acres shown on the applicable final map, parcel map, condominium plan, or other map or plan recorded with the County. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

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

"Administrative Expenses" means the following actual or reasonably estimated annual costs directly related to the administration of IA No. 2: the costs of computing and preparing the annual Special Tax collection schedule (whether by the County or any designee thereof or both); the costs of collecting the Special Tax (whether by the County or otherwise); the costs associated with preparing the Special Tax disclosure statements and responding to public inquiries regarding the Special Tax; and the costs to the County, IA No. 2, or any designee thereof related to an appeal of the Special Tax; and the County's annual administration fees and third-party expenses directly related to the administration of IA No. 2. Administrative Expenses shall also include amounts estimated or advanced by the County or IA No. 2 for any other administrative purposes of IA No. 2, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes. In addition, Administrative Expenses shall include any unfunded Administrative Expenses of CFD No. 2022-2 (IA No. 2).

"Administrative Expenses of CFD No. 2022-2 (IA No. 2)" means the following actual or reasonably estimated annual costs directly related to the administration of IA No. 2 of CFD No. 2022-2; (i) the costs of computing and collecting the One-Time Special Taxes (whether by the County or otherwise); (ii) the costs to the County, CFD No. 2022-2 (IA No. 2), or any designee thereof of complying with County or CFD No. 2022-2 disclosure requirements; (iii) the costs associated with responding to public inquiries regarding the One-Time Special Taxes; (iv) the costs of the County, CFD No. 2022-2 (IA No. 2) or any designee thereof related to an appeal of the One-Time Special Taxes; and (v) the County's annual administration fees and third-party expenses directly related to the administration of CFD No. 2022-2 (IA No. 2). Administrative

Expenses shall also include amounts estimated or advanced by the County or CFD No. 2022-2 (IA No. 2) for any other administrative purposes of CFD No. 2022-2 (IA No. 2), including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent One-Time Special Taxes.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

"Authorized Dry Infrastructure" means all public facilities authorized to be financed by CFD No. 2022-2 (IA No. 2) as described in the Resolution of Formation and Implementation Agreement, except for Authorized Fire Protection Facilities and Authorized Wet Utilities.

"Authorized Dry Infrastructure Sinking Fund" means funds accumulated through the levying of Special Taxes in a given Fiscal Year to build up a sinking fund to pay for capital costs resulting from the deterioration of Authorized Dry Infrastructure financed by CFD No. 2022-2 (IA No. 2) as described in the Implementation Agreement, not to exceed the annual and total Authorized Dry Infrastructure Sinking Fund cost limitations called for in the Resolution of Formation and Implementation Agreement. Under no circumstances shall any Authorized Wet Utilities be funded by the Authorized Dry Infrastructure Sinking Fund.

"Authorized Fire Protection Facilities" means the fire station and fire assets that are authorized to be financed by CFD No. 2022-1 (IA No. 2) as described in the Implementation Agreement.

"Authorized Fire Protection Facilities Sinking Fund" means funds accumulated through the levying of Special Taxes in a given Fiscal Year to build up a sinking fund to pay for capital costs resulting from the deterioration of Authorized Fire Protection Facilities financed by CFD No. 2022-2 (IA No. 2) not to exceed the annual and total Authorized Fire Protection Facilities Sinking Fund cost limitations set forth in the Implementation Agreement.

"Authorized Maintenance Services" means those maintenance services which substantially benefit IA No. 2 and are eligible to be funded by IA No. 2 as described in the Resolution of Formation and Implementation Agreement.

"Authorized Public Facilities" means Authorized Dry Infrastructure and Authorized Wet Utilities.

"Authorized Public Safety Services" means those public safety services which substantially benefit IA No. 2 and are eligible to be funded by IA No. 2 as described in Resolution of Formation and Implementation Agreement.

Authorized Wet Utilities" means all water, water recycling, and sewer facilities authorized to be financed by CFD No. 2022-2 (IA No. 2) as described in the Implementation Agreement.

"Building Permit" means a single permit or set of permits required to construct a new residential or non-residential structure. If a permit is issued for a foundation, parking, landscaping or other related facility or amenity, but a building permit has not yet been issued for the structure served by these facilities or amenities, such permit shall not be considered a "Building Permit" for purposes of application of the Special Taxes herein.

"CFD Administrator" means an official of IA No. 2, or any designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2022-2" means Community Facilities District No. 2022-2 (Gunner Ranch Public Facilities One-Time Special Taxes)

“Consumer Price Index” means, in any Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers, Not Seasonally Adjusted, West Urban, All Items, Base Period 1982-84=100, (Series ID: CUURA400SA0), measured as of the month of December in the calendar year that ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index.

“Contingent Reserve Fund” means funds accumulated through the levying of Special Taxes in a given Fiscal Year to cover shortfalls in Maintenance Services and Public Safety Services that may occur in future Fiscal Years, as called for in the Implementation Agreement. Under no circumstances shall the Contingent Reserve Fund exceed the annual and total amounts set forth in the Implementation Agreement, including limitations on the annual contributions to five percent (5%) of the annual Maintenance Services budget and five percent (5%) of the Public Safety Services budget for the given fiscal year, respectively.

“County” means County of Madera.

“County Board of Supervisors” means the Board of Supervisors of the County.

“CSA No. 22 C” means, in the County of Madera, Zone of Benefit C for County Services Area No. 22.

“Developed Property” means, for each Fiscal Year all Assessor’s Parcels within IA No. 2 for which a Building Permit was issued on or before June 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

“Dwelling Unit” means a building or portion thereof designed for and occupied in whole or part as a residence or sleeping place, either permanently or temporarily, by one (1) family and its guests, with sanitary facilities and one (1) kitchen provided within the unit. An Accessory Dwelling Unit shall be considered to be a Dwelling Unit for purposes of levying a Developed Property Special Tax. Boarding or lodging houses, dormitories, hotels or residential living facilities that do not primarily serve family members of hospital patients shall not be defined as Dwelling Units, but shall be categorized as Other Non-Residential Property. Boarding or lodging houses, dormitories, hotels or residential living facilities that primarily serve family members of hospital patients shall be defined as Hospital Property.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“High-Density Residential Property” means Assessor’s Parcels of Taxable Property consisting of more than eleven (11) Dwelling Units per Net Acre.

“Hospital Property” means, in any Fiscal Year, all Parcels of Developed Property or portions of Parcels of Developed Property on which there is located Non-Residential Square Footage for which a Building Permit has been issued for public or private hospital uses (specialty, acute care and long-term care). Boarding or lodging houses, dormitories, hotels or residential living facilities that primarily serve family members of hospital patients shall be defined as Hospital Property.

“IA No 1” means Improvement Area No. 1 of County of Madera Community Facilities District No. 2022-1 (Gunner Ranch Public Services). The boundaries of IA No. 1 shall be identical to the boundaries of Improvement Area No. 1 of CFD No. 2022-2.

“IA No 2” means Improvement Area No. 2 of County of Madera Community Facilities District No. 2022-1 (Gunner Ranch Public Services). The boundaries of IA No. 2 shall be identical to the boundaries of Improvement Area No. 2 of CFD No. 2022-2.

“Implementation Agreement” means the Implementation Agreement dated _____, 2022 by and among the County, on behalf of itself and CFD No. 2022-1, Valley Children’s Hospital, Gunner Ranch Inc. and Richard V. Gunner and Margaret S. Gunner, Trustees of the Gunner Revocable Trust dated March 11, 2002, as such Implementation Agreement may be amended.

“Land Use Category” means one of seven categories of Residential Property or Non-Residential Property that have been assigned different Maximum Special Tax rates, as listed in Table 1.

“Low-Density Residential Property” means Assessor’s Parcels of Taxable Property consisting of fewer than seven (7) Dwelling Units per Net Acre.

“Maximum Special Tax” means, for each Fiscal Year, the maximum Special Tax, determined in accordance with Section C, below, that can be levied on any Assessor’s Parcel.

“Medium-Density Residential Property” means Assessor’s Parcels of Taxable Property consisting of between seven (7) and eleven (11) Dwelling Units per Net Acre.

“Net Acre” or **“Net Acreage”** means the Acreage of land within an Assessor’s Parcel after excluding public streets, alleys, flood control channels or basins, or other areas to be dedicated or reserved for a public use.

“Non-Residential Property” means, in any Fiscal Year, all Parcels of Developed Property or portions of Parcels of Developed Property on which there is located Non-Residential Square Footage.

“Non-Residential Square Footage” or **“Non-Residential Square Foot”** means, for a Parcel of Developed Property, the gross square footage of a building or portion of a building that is used for a non-residential purpose as determined based upon the Building Permit(s) issued for such building. The CFD Administrator, in conjunction with the County, shall make the final determination as to the amount of Non-Residential Square Footage on a Parcel, and such determination shall be conclusive and binding. Non-Residential Square Foot means one square foot within the Non-Residential Square Footage.

“Office Property” means, in any Fiscal Year, all Parcels of Developed Property or portions of Parcels of Developed Property on which there is located Non-Residential Square Footage for which a Building Permit has been issued for office uses. Medical and administrative offices within Parcels of Developed Property classified as Hospital Property shall not be considered Office Property.

“One Time Special Taxes” means Special Tax A and Special Tax B that will be levied on Parcels of Developed Property located in IA No.2 of CFD No. 2022-2 each time a Building Permit is issued, for the purpose of financing the acquisition and construction of the Authorized Public Facilities and Authorized Fire Protection Facilities.

“Other Non-Residential Property” means. in any fiscal year, all Parcels of Non-Residential Property, or portions thereof, not classified as Hospital Property, Office Property or Retail Property.

“Property Owner Association Property” means, for each Fiscal Year, any Assessor’s Parcel within the boundaries of IA No. 2 that is owned by or irrevocably offered for transfer to a property owner association, including any master or sub-association, not including any such property that is located directly under a residential or non-residential structure.

“Proportionately” means, for Undeveloped Property, that the ratios of the actual annual Special Tax levy per Acre to the Maximum Special Tax per Acre are equal for all Assessor’s Parcels of Undeveloped Property in a given Fiscal Year. Similarly, for Developed Property, should the CFD Administrator determine that a levy of less than 100% of the Maximum Special Tax in each

Land Use Category is no longer required to satisfy the Public Services Special Tax Requirement, as discussed in Section C below, the ratios of the actual annual Special Tax levy in each Land Use Category to the Maximum Special Tax in each Land Use Category shall be equal for all Assessor's Parcels of Developed Property in that Fiscal Year.

"Public Property" means, for each Fiscal Year, any property within the boundaries of IA No. 2 that is (i) owned by, irrevocably offered for dedication, or for which an easement has been granted to the County or another public agency; provided, however, that any property leased by the County or other public agency to a private entity and subject to taxation under Section 53340.1 of the Act, as such section may be amended or replaced, shall be taxed and classified in accordance with its use, (ii) owned by a public utility for an unmanned facility or (iii) subject to a public or utility easement making impractical its use for purposes other than as set forth in the easement.

"Public Services" means all Authorized Public Safety Services and Authorized Maintenance Services.

"Public Services Special Tax Requirement" means that amount to be collected in any Fiscal Year using the Special Tax for IA No. 2 to pay the following costs allocable to IA No. 2 under and subject to the terms and conditions of the Implementation Agreement:

- i. Pay the actual costs for Authorized Maintenance Services in that Fiscal Year allocable to IA No. 2;
- ii. Pay the actual costs for Authorized Public Safety Services in that Fiscal Year;
- iii. Fund an amount to cover anticipated delinquencies for the payment of the Special Tax, based on the Special Tax delinquency rate in IA No. 2 for the preceding Fiscal Year;
- iv. Fund an amount to pay for a Contingent Reserve Fund, with the total amount levied in a given Fiscal Year not to exceed five percent (5%) of the actual costs for Authorized Maintenance Services and Authorized Public Safety Services in that Fiscal Year up to the total maximum amount of the Contingent Reserve Fund set forth in the Implementation Agreement;
- v. Fund an amount to pay for an Authorized Dry Infrastructure Sinking Fund, not to exceed the annual maximum and total maximum cost limitations specified for the Authorized Dry Infrastructure Sinking Fund in the Implementation Agreement;
- vi. Fund an amount to pay for an Authorized Fire Protection Facilities Sinking Fund, not to exceed the annual maximum and total maximum cost limitations specified for the Authorized Fire Protection Facilities Sinking Fund in the Implementation Agreement; and
- vii. Pay the Administrative Expenses, if any.

Funds available to reduce or offset the annual Special Tax levy shall be credited against the above amounts in the following Fiscal Year. Under no circumstances shall the Public Services Special Tax Requirement include debt service payments for debt financings by IA No. 2 of CFD No. 2022-1.

"Rate and Method of Apportionment" or **"RMA"** means this Rate and Method of Apportionment of Special Tax.

"Residential Property" means Developed Property for which a Building Permit has been issued for one or more Dwelling Units. Developed Property for which a Building Permit has been issued for boarding or lodging houses, dormitories, hotels or residential living facilities that do not primarily serve families of hospital patients shall be considered Other Non-Residential Property.

“Resolution of Formation” means Resolution No. ____ adopted by the County Board of Supervisors forming CFD No. 2022-1.

“Retail Property” means, in any Fiscal Year, all Parcels of Developed Property or portions of Parcels of Developed Property on which there is located Non-Residential Square Footage for which a Building Permit has been issued for the sale of general merchandise, hard goods, personal services, and other items directly to consumers.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Public Services Special Tax Requirement.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of IA No. 2 which are not exempt from the Special Tax pursuant to law or Section D below.

“Undeveloped Property” means, for each Fiscal Year starting in Fiscal Year 2022-23, all Assessor’s Parcels in IA No. 2 not classified as Developed Property, Property Owner Association Property, or Public Property.

B ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessor’s Parcels within IA No. 2 shall be classified by the CFD Administrator as Developed Property, Undeveloped Property, Property Owner Association Property or Public Property, and shall be subject to annual Special Taxes in accordance with this Rate and Method of Apportionment as determined by the CFD Administrator pursuant to Sections C and D, below. The CFD Administrator’s allocation of property to each type of Land Use Category shall be conclusive and binding.

A.1 MAXIMUM PUBLIC SERVICES SPECIAL TAX RATE DEVELOPED PROPERTY

The Maximum Special Tax for Fiscal Year 2022-23 for Developed Property under each Land Use Category is shown below in Table 1.

Table 1
Maximum Special Tax for Developed Property for Fiscal Year 2022-23
Improvement Area No. 2 of CFD No. 2022-1

Land Use Class	Land Use	Fiscal Year 2022-2023 Maximum Special Tax
1	Low-Density Residential Property	\$1,051 per Dwelling Unit
2	Medium-Density Residential Property	\$817 per Dwelling Unit
3	High-Density Residential Property	\$817 per Dwelling Unit
4	Office Property	\$0.44 per Non-Residential Sq. Ft.
5	Retail Property	\$0.51 per Non-Residential Sq. Ft.
6	Hospital Property	\$0.38 per Non-Residential Sq. Ft.
7	Other Non-Residential Property	\$0.51 per Non-Residential Sq. Ft.

B.1 Undeveloped Property,

The Maximum Special Tax for Undeveloped Property is \$6,026.59 per Acre for Fiscal Year 2022-23.

B.2 Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Tax Category. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax that can be levied for all Land Use Categories located on that Assessor's Parcel.

B.3 Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2023, the Maximum Special Tax for Developed Property and Undeveloped Property shall be increased annually by the greater of the change in the Consumer Price Index during the 12 months prior to December of the previous Fiscal Year or two percent, not to exceed five percent within a given Fiscal Year.

C METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing with Fiscal Year 2022-2023 and for each following Fiscal Year, the CFD Administrator shall determine the Public Services Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

- Step 1 The Special Tax shall be levied on each Parcel of Developed Property at up to 100% of the Maximum Special Tax for Developed Property for such Fiscal Year as necessary to fund the Public Service Special Tax Requirement.
- Step 2 If additional revenue is needed after Step 1 to fully fund the Public Services Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property for such Fiscal Year.

The foregoing annual levies shall be made consistent with the Implementation Agreement.

Notwithstanding the above, should the CFD Administrator make a determination that it is no longer necessary to levy a Special Tax equal to 100% of the Maximum Special Tax on Developed Property because the sum of the components of the Public Services Special Tax Requirement no longer require a 100% levy, the CFD Administrator shall lower the Special Tax levy proportionately on each Parcel of Developed Property until the Public Services Special Tax Requirement for that Fiscal Year is fully satisfied.

D EXEMPTIONS

No Special Tax shall be levied on Property Owner Association Property or Public Property in IA No. 2. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property or Public Property, such Assessor's Parcel may, upon each reclassification, no longer be exempt from the Special Tax.

E APPEALS AND INTERPRETATIONS

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of the Special Tax. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must be in writing and must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the

Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the County Board of Supervisors by filing a written notice of appeal with the clerk of the County, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must be in writing and must specify the reasons for the appellant's disagreement with the CFD Administrator's determination. The CFD Administrator may charge the appellant a reasonable fee for processing the appeal.

The County may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the County will be final and binding as to all persons.

F MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that the County may directly bill the Special Tax or may collect the Special Tax at a different time or in a different manner if necessary or otherwise advisable to meet its financial obligations for IA No. 2, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

G TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to meet the Public Services Special Tax Requirement unless no longer required to pay for the Public Services, as determined at the discretion of the County Board of Supervisors.