

**RECORDING REQUESTED BY**  
**AND RETURN TO:**

CITY CLERK  
CITY OF TEMECULA  
41000 Main Street  
Temecula, CA 92590

EXEMPT FROM RECORDER'S FEES  
Pursuant to Government Code  
Sections 6103 and 27383

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**NOTICE OF SPECIAL TAX LIEN**

**IMPROVEMENT AREA NO. 1 OF THE  
TEMECULA PUBLIC FINANCING AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 23-01  
(ALTAIR)**

## NOTICE OF SPECIAL TAX LIEN

### **Improvement Area No. 1 of the Temecula Public Financing Authority Community Facilities District No. 23-01 (Altair)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code and Section 53311 et seq. of the California Government Code, the undersigned Secretary of the Temecula Public Financing Authority (the "Authority"), County of Riverside, State of California, hereby gives notice that a lien to secure payment of a special tax which the Board of Directors of the Authority authorized, is hereby imposed. The special tax secured by this lien is authorized to be levied for the purpose of paying principal and interest on bonds, the proceeds of which are being used to finance the costs of certain public facilities, as well as pay for the public facilities, certain municipal services, a conservation fee and administrative expenses, all as described on Exhibit A attached hereto and hereby made a part hereof.

The special tax is authorized to be levied within Improvement Area No. 1 of the Temecula Public Financing Authority Community Facilities District No. 23-01 (Altair) (the "Improvement Area") which has now been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is permanently satisfied and cancelled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in Exhibit B attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the Special Tax A may be prepaid in part or in full and permanently satisfied in part or in full are as provided in Exhibit B hereto. Special Tax B and Special Tax C may not be prepaid.

Notice is further given that upon the recording of this notice in the office of the County Recorder, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Improvement Area in accordance with Section 3115.5 of the California Streets and Highways Code.

The name(s) of the owner(s) of the real property included within the Improvement Area and the assessor's tax parcel(s) numbers of all parcels or any portion thereof which are included within the Improvement Area, in each case which are not exempt from the special tax and as they appear on the latest secured assessment roll as of the date of recording of this or as otherwise known to the Authority, are as set forth in Exhibit C attached hereto and hereby made a part hereof.

Reference is made to the boundary map of the Improvement Area recorded on February 16, 2024 at 2:21 p.m. in Book 92 of Maps of Assessment and Community Facilities Districts at Page 73 (instrument no. 2024-0044266), in the office of the County Recorder for the County of Riverside, State of California, which map is now the final boundary map of the Improvement Area.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Treasurer of the Temecula Public Financing Authority, Temecula Public Financing Authority, 41000 Main Street, Temecula, CA 92590, telephone number (951) 693-3945.

Dated: \_\_\_\_\_, 2024

By: \_\_\_\_\_  
Secretary,  
Temecula Public Financing Authority

## EXHIBIT A

### DESCRIPTION OF FACILITIES, A CONSERVATION FEE AND MUNICIPAL SERVICES ELIGIBLE TO BE FUNDED BY THE DISTRICT AND IMPROVEMENT AREA NO. 1

#### FACILITIES

The District and Improvement Area No. 1 are eligible to finance all or a portion of the costs of the following facilities:

- The acquisition and construction of: streets (including paving, aggregate base, striping and traffic marking, sidewalks, curbs, gutters and driveways), and traffic signals within and in the vicinity of the District; stormwater drainage systems (including storm drain lines, inlets, outlets, channels, structures, junctions, manholes, catch basins and related dewatering); street light improvements (including light fixtures, substructures, conduits and service points of connection); and street signage (including traffic, stop and street name signs).

The foregoing are to include the acquisition of any related right-of-way and other land needed for the installation of any such improvements, demolition of existing structures and site leveling needed for the installation of any such improvements, erosion control, and other appurtenances.

- Landscaping improvements in the public right of way, including related appurtenances.
- Amenities for parks located within and in the vicinity of the District.
- Capital improvements included in the City of Temecula's adopted Capital Improvement Program.
- Sewer system improvements to be designated by the Eastern Municipal Water District.
- Water system improvements to be designated by the Rancho California Water District.
- School improvements to be designated by the Temecula Valley Unified School District, which may include construction of buildings, equipping of school facilities, and acquisition of support and other appurtenances with a useful life of five years or more.

The Facilities include the acquisition of land or real property interests, the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, the cost of any required environmental mitigation and any required noise mitigation measures, landscaping and irrigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

#### CONSERVATION FEE

The District and Improvement Area No. 1 are eligible to fund the Annual Wildlife Conservation Fee, as defined and more particularly identified in Section 4.4.5(v) of the Development Agreement, entered into as of January 9, 2018, between City of Temecula and Temecula West Village, LLC, subsequently assigned to SB Altair LLC.

## MUNICIPAL SERVICES

The District and Improvement Area No. 1 are eligible to fund all or a portion of the costs of the following municipal services:

- Public safety services, including police, fire protection and suppression services, and ambulance and paramedic services.
- Maintenance of landscaping in public areas, public easements and public right of way in or near the area of the District, such maintenance to include but not be limited to maintenance of planting areas, trees, bioretention filters, multipurpose trails, and the furnishing of water for irrigation.
- Maintenance of public signage in or near the District.
- Maintenance of storm protection and drainage systems within or serving the area of the District, and including storm drain pipes, culverts, detention/desilting basins, manholes, catch basins and drop inlets, cleanout of storm drains and catch basin cleaning and inspection.
- Maintenance of sidewalks, streets and roadways within or in the vicinity of the area of the District, and including slurry, overlay, curbs and gutters, curb ramps, striping and street sweeping.
- Maintenance of street lighting located within or in the vicinity of the District, and including but not limited to street lights, decorative lighting and pull box assemblies.
- Maintenance of traffic signals, and traffic interconnection and video surveillance systems, within and in the vicinity of the District, and including but not limited to electrical, LED replacement, maintenance and replacement.
- Graffiti removal from public improvements within and in the area of the District.
- Maintenance and lighting of parks, parkways and open space.
- Maintenance of water and sewer systems with an estimated useful life of five or more years and serving the area in or in the general area of the District and owned by the Temecula Public Financing Authority, the City of Temecula or by another local agency pursuant to a joint community facilities agreement or a joint exercise of powers agreement adopted pursuant to Section 53316.2 of the California Government Code.

The District and Improvement Area No. 1 may fund any of the following related to the services described above: the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the improvements, including repair, removal or replacement of all or part of any of the improvements, the furnishing of water for the irrigation and the furnishing of electric current or energy, for any lights or irrigation facilities, obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/or equipment, apparatus, facilities or fixtures in areas to be maintained, obtaining supplies or appurtenant facilities necessary for such maintenance, paying the salaries and benefits of personnel necessary or convenient to provide the services, payment of insurance costs and other related expenses. The District and Improvement Area No. 1 may also provide for the reimbursement to the City of Temecula to the extent that the City of Temecula advances funds to pay for any of the foregoing services, and may fund reserves for repairs and replacements and

for future expected costs of services. It is expected that the services will be provided by the City of Temecula, either with its own employees or by contract with third parties, or any combination thereof.

The services to be financed by the District shall be in addition to those provided in the territory of the District before the date of creation of the District, and will not supplant services already available within that territory when the District is created.

#### ADMINISTRATIVE EXPENSES

The administrative expenses to be financed by the District and Improvement Area No. 1 include the direct and indirect expenses incurred by the Authority and the City in carrying out their respective duties with respect to the District (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the County of Riverside related to the District or the collection of special taxes, an allocable share of the salaries of the Authority and City staff directly related thereto and a proportionate amount of the Authority's and the City's general administrative overhead related thereto, any amounts paid by the Authority and the City from its respective general fund with respect to the District or the facilities, conservation fee and services authorized to be financed by the District, and expenses incurred by the Authority and the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the Authority and City in any way related to the District.

#### OTHER

The District and Improvement Area No. 1 may also finance any of the following:

1. Bond related expenses, including underwriters discount, appraisal and price point study costs, reserve fund, capitalized interest, bond and disclosure counsel fees and expenses, landowner counsel fees and expenses, and all other incidental expenses related to any special tax bonds (the "Bonds") issued for the District.
2. Administrative fees of the Bond trustee or fiscal agent related to the District and the Bonds.
3. Reimbursement of costs related to the formation of the District advanced by the Authority, the City of Temecula, any landowner in the District, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the Authority, the City of Temecula, any landowner in the District or any party related to any of the foregoing, for facilities, conservation fees, services or other purposes or costs of the District.

## EXHIBIT B

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREA NO. 1 OF THE TEMECULA PUBLIC FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 23-01 (ALTAIR)

The following sets forth the Rate and Method of Apportionment of Special Tax for the levy and collection of an Annual Special Tax A, an Annual Special Tax B, and an Annual Special Tax C in Improvement Area No. 1 of the Temecula Public Financing Authority (“Authority”) Community Facilities District No. 23-01 (Altair) (“CFD No. 23-01 IA No. 1”). An Annual Special Tax A, an Annual Special Tax B, and an Annual Special Tax C shall be levied on property in CFD No. 23-01 IA No. 1 and collected in CFD No. 23-01 IA No. 1 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment of Special Tax described below. All of the real property within CFD No. 23-01 IA No. 1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

#### SECTION A DEFINITIONS

The terms hereinafter set forth have the following meanings:

**“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 as calculated by the CFD Administrator or City Engineer.

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

**“Administrative Expenses”** means the actual or reasonably estimated costs directly related to the administration of CFD No. 23-01 IA 1, including but not limited to the following: (i) the costs of computing Special Tax A, Special Tax B, and Special Tax C (collectively, the “Special Taxes”) and of preparing the annual Special Tax A, Special Tax B, and Special Tax C collection schedules (whether by the CFD Administrator or designee thereof, or both); (ii) the costs of collecting the Special Taxes (whether by the Authority, County, City, or otherwise); (iii) the costs of remitting the Special Taxes to the fiscal agent or trustee for any Bonds; (iv) the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Tax A; (v) the costs of the fiscal agent or trustee (including its legal counsel) in the discharge of the duties required of it under any Indenture; (vi) the costs of the Authority, City, or designee of complying with arbitrage rebate, mandated reporting and disclosure requirements of applicable federal and State of California laws, and responding to property owner or Bond owner inquiries regarding the Special Taxes; (vii) the costs associated with the release of funds from any escrow account; (viii) the costs of the Authority, City, or designee related to any appeal of a Special Tax; and (ix) an allocable share of the salaries of the City staff and City overhead expense directly relating to the foregoing. Administrative Expenses shall also include amounts advanced by the City or the Authority for any administrative purposes of CFD No. 23-01 IA No. 1.

**“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.

**“Annual Special Tax C”** means for each Assessor’s Parcel, the Special Tax C 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 Exempt Property: (i) that are included in a Final Map that was recorded prior to the January 1st immediately 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 the April 1st immediately preceding the Fiscal Year in which the Special Tax A is being levied.

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

**“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. 23-01 IA No. 1.

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

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

**“Assigned Annual Special Tax A”** means the Special Tax A as described in Section D below.

**“Authority”** means the Temecula Public Financing Authority.

**“Authorized Facilities”** means the public facilities authorized to be financed, in whole or in part, by CFD No. 23-01, as identified in the list of authorized facilities approved by the Resolution of Formation of CFD No. 23-01 adopted by the Board of Directors when CFD No. 23-01 was formed.

**“Authorized Services”** means the services authorized to be funded, in whole or in part, by CFD No. 23-01, as identified in the list of authorized services approved by the Resolution of Formation of CFD No. 23-01 adopted by the Board of Directors when CFD No. 23-01 was formed.

**“Attached Residential Property”** means Residential Property that shares at least one common wall with one or more Units of Residential Property.

**“Backup Annual Special Tax A”** means the Special Tax A as described in Section E below.

**“Board of Directors”** means the Board of Directors of the Temecula Public Financing Authority, acting as the legislative body of CFD No. 23-01, or its designee.

**“Bonds”** means any bonds or other indebtedness (as defined in the Act), whether in one or more series, the repayment of which is secured by a pledge of the proceeds of the levy of Special Tax A on Assessor’s Parcels within CFD No. 23-01 IA No. 1.



**“Boundary Map”** means a recorded map of CFD No. 23-01 which indicates the boundaries of CFD No. 23-01 IA No. 1.

**“Building Permit”** means the first legal document issued by the City giving official permission for new construction. For purposes of this definition, “Building Permit” may or may not include any subsequent building permits issued or changed after the first issuance, as determined by the CFD Administrator.

**“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 CFD Administrator.

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

**“CFD No. 23-01”** means the Temecula Public Financing Authority Community Facilities District No. 23-01 (Altair) formed by the Authority under the Act.

**“CFD No. 23-01 IA No. 1”** means Improvement Area No. 1 of the Temecula Public Financing Authority Community Facilities District No. 23-01 (Altair) formed by the Authority under the Act.

**“CFD Administrator”** means the Finance Director of the City, or designee thereof, responsible for, among other things, determining the Special Tax A Requirement, the Special Tax B Requirement, and the Special Tax C Requirement and providing for the levy and collection of Special Tax A, Special Tax B, and Special Tax C.

**“City”** means the City of Temecula, California.

**“Conservation Fee”** means the Annual Wildlife Conservation Fee, as defined and more particularly identified in Section 4.4.5(v) of the Development Agreement, entered into as of January 9, 2018, between City of Temecula and Temecula West Village, LLC, subsequently assigned to SB Altair, LLC.

**“Consumer Price Index” or “CPI”** means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for “All Urban Consumers: in the Los Angeles – Anaheim – Riverside Area”, measured as of the month of December in the calendar year which 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 for the City of Los Angeles.

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

**“Detached Residential Property”** means Residential Property that is not classified as Attached Residential Property.

**“Developed Property”** means all Assessor’s Parcels of Taxable Property that: (i) are included in a Final Map that was recorded prior to January 1<sup>st</sup> preceding the Fiscal Year in which Special Tax A, Special Tax B, and Special Tax C are being levied, and (ii) for which a building permit was issued on or before April 1<sup>st</sup> preceding the Fiscal Year in which any or all of the Special Taxes are being levied.

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

**“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 that do not need, and are not expected, to be further subdivided prior to the issue of a building permit.

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

**“Improvement Area No. 1” or “IA No. 1”** means the property in CFD No. 23-01 designated as Improvement Area No. 1 on the Boundary Map.

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

**“Land Use Type”** means Residential Property or Non-Residential Property.

**“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 Fiscal Year on such Assessor’s Parcel.

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

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

**“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.

**“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 H.

**“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.

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

**“Provisional Exempt 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 P, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property within the applicable Zone below the required minimum Acreage set forth in Section P.

**“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.

**“Special Tax(es)”** means any of the Special Taxes authorized to be levied on Taxable Property within and for CFD No. 23-01 IA No. 1 pursuant to the Act to fund the Special Tax A Requirement, Special Tax B Requirement, and/or the Special Tax C Requirement.

**“Special Tax A”** means any of the Special Taxes authorized to be levied on Taxable Property within and by CFD No. 23-01 IA No. 1 pursuant to the Act to fund the Special Tax A Requirement.

**“Special Tax B”** means any of the Special Taxes authorized to be levied on Taxable Property within and by CFD No. 23-01 IA No. 1 pursuant to the Act to fund the Special Tax B Requirement.

**“Special Tax C”** means any of the Special Taxes authorized to be levied on Taxable Property within and by CFD No. 23-01 IA No. 1 pursuant to the Act to fund the Special Tax C 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) any amount required to establish or replenish any reserve funds established in association with the Bonds, and (iv) the collection or accumulation of funds for the acquisition or construction of Authorized Facilities or payment of fees authorized by CFD No. 23-01 IA No. 1 by the levy on Developed Property of the Assigned Annual Special Tax A 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 (v) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable Indenture.

**“Special Tax B Requirement”** means, subject to the Maximum Special Tax B, that amount to be collected in any Fiscal Year to pay for Authorized Services as required to meet the needs of CFD No. 23-01 IA No. 1. The costs of services to be covered shall be the direct costs for (i) Authorized Services, and (ii) Administrative Expenses (apportioned between Special Tax A and Special Tax B); less (iii) a credit for funds available to reduce the Annual Special Tax B levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Special Tax B Requirement include funds for Bonds.

**“Special Tax C Requirement”** means, subject to the Maximum Special Tax C, that amount to be collected in any Fiscal Year to pay for the Conservation Fee as required to meet the needs of CFD No. 23-01 IA No. 1. The costs of the Conservation Fee to be covered shall be the direct costs for (i) the Conservation Fee, and (ii) Administrative Expenses; less (iii) a credit for funds available to reduce the Annual Special Tax C levy, if any, as determined by the CFD Administrator. Under no circumstances shall the Special Tax C Requirement include amounts needed to repay Bonds.

**“Taxable Property”** means all Assessor’s Parcels within CFD No. 23-01 IA No. 1, which are not Exempt Property.

**“Temecula Public Financing Authority” or “PFA” or “Authority”** means the Temecula Public Financing Authority or its designee.

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

**“Unit”** means any residential structure.

**“Zone(s)”** means Zone 1 or Zone 2.

**“Zone 1”** means all Taxable Property located within lots 1 – 4 of Tentative Tract Map No. 36959-1.

**“Zone 2”** means all Taxable Property located within lots 5 and 6 of Tentative Tract Map No. 36959-1.

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

Each Fiscal Year, beginning with Fiscal Year 2024-25, each Assessor’s Parcel within CFD No. 23-01 IA No. 1 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 Exempt Property. In addition, each Assessor’s Parcel of Developed Property, Approved Property, Undeveloped Property and Provisional Exempt Property shall be classified as being within Zone 1 or Zone 2. If an Assessor’s Parcel of Developed Property, Approved Property, Undeveloped Property or Provisional Exempt Property is located within more than one Zone, it shall be deemed to be entirely within the Zone in which the largest portion of its Acreage is located. In addition, each Assessor’s Parcel of Developed Property shall further be classified as Residential Property or Non-Residential Property. Assessor’s Parcels of Residential Property shall be further be classified as Attached Residential Property or Detached Residential Property and categorized based on the Building Square Footage of each such Assessor’s Parcel.

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

### **1. Developed Property**

The Maximum Special Tax A for each Assessor’s Parcel of Residential Property or Non-Residential Property in any Fiscal Year shall be the greater of (i) the Assigned Annual Special Tax A or (ii) the Backup Annual Special Tax A.

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

The Maximum Special Tax A for each Assessor’s Parcel classified as Approved Property, Undeveloped Property, or Provisional Exempt Property in any Fiscal Year shall be the Assigned Annual Special Tax A.

**SECTION D  
ASSIGNED ANNUAL SPECIAL TAX A**

**1. Developed Property**

Each Fiscal Year, each Assessor’s Parcel of Residential Property or Non-Residential Property shall be subject to an Assigned Annual Special Tax A.

The Assigned Annual Special Tax A applicable to an Assessor's Parcel of Developed Property shall be determined using the Tables below.

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

<b>Land Use Type</b>	<b>Building Square Footage</b>	<b>Rate</b>
Attached Residential Property	Less than 1,750	\$5,310 per Unit
Attached Residential Property	1,750 – 1,849	\$5,590 per Unit
Attached Residential Property	1,850 – 1,949	\$5,870 per Unit
Attached Residential Property	Greater than 1,949	\$6,150 per Unit
Detached Residential Property	Less than 2,000	\$6,040 per Unit
Detached Residential Property	2,000 – 2,099	\$6,290 per Unit
Detached Residential Property	Greater than 2,099	\$6,540 per Unit
Non-Residential Property	N/A	\$61,251 per Acre

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

<b>Land Use Type</b>	<b>Building Square Footage</b>	<b>Rate</b>
Attached Residential Property	Less than 1,800	\$5,685 per Unit
Attached Residential Property	1,800 – 1,899	\$5,835 per Unit
Attached Residential Property	Greater than 1,899	\$5,985 per Unit
Detached Residential Property	Less than 2,000	\$6,040 per Unit
Detached Residential Property	2,000 – 2,099	\$6,290 per Unit
Detached Residential Property	Greater than 2,099	\$6,540 per Unit
Non-Residential Property	N/A	\$59,860 per Acre

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

Each Fiscal Year, each Assessor’s Parcel of Approved Property, Undeveloped Property and Provisional Exempt Property shall be subject to an Assigned Annual Special Tax A. The Assigned Annual Special Tax A rate for an Assessor’s Parcel classified as Approved Property, Undeveloped Property or Provisional Exempt Property shall be determined pursuant to Table 3 below:

**TABLE 3  
ASSIGNED ANNUAL SPECIAL TAX RATES  
FOR APPROVED PROPERTY, UNDEVELOPED PROPERTY,  
AND PROVISIONAL EXEMPT PROPERTY**

Zone	Rate
Zone 1	\$61,251 per Acre
Zone 2	\$59,860 per Acre

**SECTION E  
BACKUP ANNUAL SPECIAL TAX A**

At the time a Final Map is recorded, the CFD Administrator shall determine which Zone the Final Map area lies within and the Backup Annual 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 for the applicable Zone by the total Acreage of Taxable Property, excluding the Provisional Exempt Property Acreage or Non-Residential Property Acreage if any, in such Final Map area 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.

If the Final Map area described in the preceding paragraph lies within more than one Zone, the Backup Annual Special Tax A for Assessor’s Parcels of Residential Property or Assessor’s Parcels expected to be classified as Residential Property shall be determined by calculating a Backup Special Tax A rate based upon the weighted average of the Maximum Special Tax A rate for Undeveloped Property for the Zones which the Assessor’s Parcel overlaps using the acreage of the Assessor’s Parcel that lies within each overlapping Zone and multiplying that weighted average Maximum Special Tax A rate by the total Acreage of the subject Assessor’s Parcel.

The Backup Annual Special Tax A rate for Non-Residential Property shall be its Annual 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 Property are subsequently changed by recordation of a lot line adjustment, Final Map amendment, new Final Map or similar instrument, then the Backup Annual Special Tax A shall be recalculated within the area that has been changed to equal the amount of Backup Annual Special Tax A that would have been generated if such change did not take place.

**SECTION F  
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX A**

Commencing Fiscal Year 2024-25 and for each subsequent Fiscal Year, the Board of Directors shall levy Annual Special Tax A in accordance with the following steps:

Step One: The Annual Special Tax A shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Annual Special Tax A rates in Tables 1, 2, and 3 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 Annual Special Tax A shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the applicable Assigned Annual 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 Annual Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual 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, the Annual Special Tax A on each Assessor's Parcel of Developed Property for which the Maximum Special Tax A is the Backup Annual Special Tax A shall be increased Proportionately from the Assigned Annual Special Tax A up to 100% of the Backup Annual 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 Annual Special Tax A shall be levied Proportionately on each Assessor's Parcel of Provisional Exempt Property up to 100% of the Assigned Annual Special Tax A applicable to each such Assessor's Parcel as needed to satisfy the Special Tax A Requirement.

Notwithstanding the above, under no circumstances will the Special Tax A levied in any Fiscal Year against any Assessor's Parcel of Residential Property as a result of a delinquency in the payment of the Special Tax A applicable to any other Assessor's Parcel be increased by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquency or default.

## SECTION G PREPAYMENT OF ANNUAL SPECIAL TAX A

The following definitions apply to this Section G:

**“CFD Public Facilities Amount”** means \$17,265,000 expressed in 2024 dollars, which shall increase by the Construction Inflation Index on July 1, 2025, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities under the authorized bonding program, or (ii) shall be determined by the Board of Directors concurrently with a covenant that the CFD will not issue any more Bonds.

**“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 CFD 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 Amount minus (i) Bond proceeds deposited in Improvement Funds and accounts and (ii) other amounts (special taxes, interest earnings, etc.) allocated

to Improvement Funds and accounts that were available to fund such CFD Public Facilities Amount prior to the date of prepayment.

**“Improvement Fund”** means, collectively, an account 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 account established prior to the issuance of Bonds for such purpose.

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

### **Prepayment in Full**

The Maximum Special Tax A obligation may be prepaid and permanently satisfied for (i) Assessor’s Parcels of Developed Property, (ii) Assessor’s Parcels of Approved Property or Undeveloped Property for which a Building Permit has been issued, (iii) Approved or Undeveloped Property for which a Building Permit has not been issued, and (iv) Assessor’s Parcels of Provisional Exempt Property that are not Exempt Property pursuant to Section P. The Maximum Special Tax A obligation applicable to a Assessor’s Parcel may be fully prepaid and the obligation to pay the Special Tax A for such Assessor’s Parcel permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Tax A with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel intending to prepay the Maximum Special Tax A obligation for such Assessor’s Parcel shall provide the CFD Administrator with written notice of intent to prepay, and within 5 business days of receipt of such notice, the CFD 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 Assessor’s Parcel. Within 15 business days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the Prepayment Amount for the Assessor’s Parcel. Prepayment must be made not less than 60 days prior to the redemption date for any Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount (defined below) 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	Reserve Fund Credit
Equals:	Prepayment Amount

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

1. Confirm that no Special Tax A delinquencies apply to such Assessor’s Parcel.
2. For an Assessor’s Parcel of Developed Property, compute the Maximum Special Tax A for the Assessor’s Parcel. For an Assessor’s Parcel of Approved Property or



Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax A for the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has been issued for the Assessor's Parcel. For an Assessor's Parcel of Approved Property or Undeveloped Property for which a Building Permit has not been issued or Provisional Exempt Property, to be prepaid, compute the Maximum Special Tax A for the Assessor's Parcel.

3. Divide the Maximum Special Tax A derived pursuant to paragraph 2 by the total amount of Special Tax A that could be levied at the Maximum Special Tax A for all Assessor's Parcels of Taxable Property based on the applicable Maximum Special Tax A, including for Assessor's Parcels of Approved Property or Undeveloped Property for which a Building Permit has been issued, the Maximum Special Tax A for the Assessor's Parcel as though it was already designated as Developed Property, not including any Assessor's 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 amount of Future Facilities Costs for the Assessor's 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 prepayments.
9. Determine the Special Tax A levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Determine the amount the CFD 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 Maximum Special Tax A obligation for the Assessor's 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 Improvement 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, if applicable and possible, the CFD Administrator shall remove the current Fiscal Year's Special Tax A levy for the Assessor's Parcel from the County tax roll. With respect to any Assessor's Parcel for which the Maximum Special Tax A obligation is prepaid, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Maximum Special Tax A obligation and the release of the Special Tax A lien for the Assessor's Parcel, and the obligation to pay the Special Tax A for such Assessor's 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 Assessor's Parcels of Taxable Property, excluding all Provisional Exempt Property and all Assessor's Parcels with delinquent Special Taxes, after the proposed prepayment will be at least 1.1 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 Maximum Special Tax A obligation may be accepted upon the terms and conditions established by the Board of Directors 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 Board of Directors.

**SECTION H**  
**PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAX A**

The Maximum Special Tax A obligation for an Assessor's 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 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

$P_E$  = the Prepayment Amount calculated according to Section G

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

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

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax A obligation for the Assessor's Parcel shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Maximum Special Tax A obligation, (ii) the percentage of the Maximum 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 5 business days of receipt of such notice, the CFD 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 15 business days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the amount of the Partial Prepayment for the Assessor's Parcel. A Partial Prepayment must be made not less than 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 Assessor's Parcel for which the Maximum Special Tax A obligation is partially prepaid, the CFD Administrator shall (i) distribute the Partial Prepayment as provided in Paragraph 15 of Section G and (ii) indicate in the records of the CFD that there has been a Partial Prepayment for the Assessor's Parcel and that a portion of the Special Tax A obligation equal to the remaining percentage (1.00 - F) of Special Tax A obligation will continue on the Assessor's Parcel pursuant to Section F.

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 Assessor's Parcels of Taxable Property, excluding all Provisional Exempt Property and all Assessor's Parcels with delinquent Special Taxes, after the proposed prepayment will be at least 1.1 times maximum annual debt service on the Bonds that will remain outstanding after the prepayment plus the estimated annual Administrative Expenses.

**SECTION I  
MAXIMUM SPECIAL TAX B**

**1. Developed Property**

**Maximum Special Tax B**

Each Fiscal Year, each Assessor's Parcel of Residential Property or Non-Residential Property shall be subject to a Maximum Annual Special Tax B.

The Maximum Annual Special Tax B applicable to an Assessor's Parcel of Developed Property shall be determined using Table 4 below.

**TABLE 4  
MAXIMUM SPECIAL TAX B RATES  
FOR DEVELOPED PROPERTY  
FISCAL YEAR 2023-24**

Land Use Type	Rate
Residential Property	\$237 per Unit
Non-Residential Property	\$2,398 per Acre

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

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

**3. Increase in the Maximum Special Tax B**

On each July 1, commencing July 1, 2024, the Maximum Special Tax B shall be increased by an amount equal to five and six-tenths percent (5.6%) of the amount in effect for the previous Fiscal Year.

**SECTION J  
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX B**

Commencing with Fiscal Year 2024-25 and for each following Fiscal Year, the City shall levy the Special Tax B at up to 100% of the applicable Maximum Special Tax B, Proportionately on each Assessor's Parcel of Developed Property until the amount of Special Tax B equals the Special Tax B Requirement.

**SECTION K  
PREPAYMENT OF ANNUAL SPECIAL TAX B**

No prepayments of Annual Special Tax B are permitted.

**SECTION L  
MAXIMUM SPECIAL TAX C**

**1. Developed Property**

**Maximum Special Tax C**

Each Fiscal Year, each Assessor's Parcel of Residential Property or Non-Residential Property shall be subject to a Maximum Annual Special Tax C.

The Maximum Annual Special Tax C applicable to an Assessor's Parcel of Developed Property shall be determined using Table 5 below.

**TABLE 5  
MAXIMUM SPECIAL TAX C RATES  
FOR DEVELOPED PROPERTY  
FISCAL YEAR 2023-24**

<b>Land Use Type</b>	<b>Rate</b>
Residential Property	\$43 per Unit
Non-Residential Property	\$435 per Acre

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

No Special Tax C shall be levied on Approved Property, Undeveloped Property, and Provisional Exempt Property.

**3. Increase in the Maximum Special Tax C**

On each July 1, commencing July 1, 2024, the Maximum Special Tax C shall be increased by an amount equal to two percent (2.0%) of the amount in effect for the previous Fiscal Year.

**SECTION M  
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX C**

Commencing with Fiscal Year 2024-25 and for each following Fiscal Year, the City shall levy the Special Tax C at up to 100% of the applicable Maximum Special Tax C, Proportionately on each Assessor's Parcel of Developed Property until the amount of Special Tax C equals the Special Tax C Requirement.

**SECTION N  
PREPAYMENT OF ANNUAL SPECIAL TAX C**

No prepayments of Annual Special Tax C are permitted.

**SECTION O**  
**TERM OF THE SPECIAL TAX A, SPECIAL TAX B, AND SPECIAL TAX C**

The Annual Special Tax A shall be levied on all Assessor’s Parcels subject to the Annual Special Tax A commencing in Fiscal Year 2024-25 and in each Fiscal Year thereafter during which any Bonds are outstanding. If any delinquent Annual Special Tax A amounts remain uncollected prior to or after all Bonds are retired, the Annual Special Tax A may be levied to the extent necessary to reimburse CFD No. 23-01 IA No. 1 for uncollected Annual Special Tax A amounts associated with the levy of such Annual Special Tax A amounts, but not later than the 2067-68 Fiscal Year.

For each Fiscal Year, Special Tax B and Special Tax C shall be levied in perpetuity as long as the Authorized Services and the Conservation Fee, respectively, are being provided or required, as applicable.

**SECTION P**  
**EXEMPT PROPERTY**

The CFD Administrator shall classify as Exempt Property within the applicable Zone, (i) Assessor’s Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by the State of California, Federal or other local governments, including school districts, (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 which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by a homeowners’ association, (iv) Assessor’s Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor’s Parcels which are privately owned and are encumbered by or restricted solely for public uses, or (vi) other types of public uses determined by the CFD Administrator. The CFD Administrator shall classify such Assessor’s Parcels as Exempt Property in the chronological order in which property becomes Exempt.

Notwithstanding the foregoing, the CFD Administrator for purposes of levying the Special Tax shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property within the applicable Zone to less than the Acreage amounts listed in Table 6 below. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property within the applicable Zone to less than the Acreage amounts listed in Table 6 will be classified as Provisional Exempt Property, and will be subject to the levy of Special Tax pursuant to Step Five in Section F.

**TABLE 6**  
**MINIMUM TAXABLE ACRES**

<b>Zone</b>	<b>Acres</b>
Zone 1	14.04
Zone 2	11.16

**SECTION Q**  
**APPEALS AND INTERPRETATIONS**

Any property owner claiming that the amount or application of the Annual Special Tax A, Annual Special Tax B, or Annual Special Tax C is not correct may file a written notice of appeal with the CFD Administrator in any Fiscal Year not later than twelve months after having paid the first installment of the Annual Special Tax A, Annual Special Tax B, or Annual Special Tax C that is disputed for the applicable Fiscal Year. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Annual Special Tax A, Annual Special Tax B, or Annual Special Tax C, and rule on the appeal. If the CFD Administrator's decision requires that the Annual Special Tax A, Annual Special Tax B, or Annual Special Tax C for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy in the case of the Annual Special Tax A), but an adjustment shall be made to the Annual Special Tax A, Annual Special Tax B, or Annual Special Tax C on that Assessor's Parcel in the subsequent Fiscal Year(s).

The Board of Directors may interpret this Rate and Method of Apportionment of Annual Special Tax A, Annual Special Tax B, and Annual Special Tax C for purposes of clarifying any ambiguity and make determinations relative to the amount of Administrative Expenses.

**SECTION R**  
**MANNER OF COLLECTION**

The Annual Special Tax A, Annual Special Tax B, and Annual Special Tax C shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 23-01 IA No. 1 may collect the Annual Special Tax A, Annual Special Tax B, and Annual Special Tax C at a different time or in a different manner if necessary to meet its financial obligations.

**EXHIBIT C**

**IMPROVEMENT AREA NO. 1 OF THE  
TEMECULA PUBLIC FINANCING AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 23-01  
(ALTAIR)**

**ASSESSOR'S PARCEL NUMBERS AND OWNER OF  
LAND WITHIN THE IMPROVEMENT AREA**

County Assessor's  
Parcel Numbers

Owner of Record of Parcels

940-310-013 (portion)  
940-310-015  
940-310-016  
940-310-044  
940-310-045  
940-310-046  
940-310-047  
940-310-048

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Costa Mesa, CA 92626