

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
FONTANA ESTABLISHING THE CITY OF FONTANA
COMMUNITY FACILITIES DISTRICT NO. 116M, COUNTY
OF SAN BERNARDINO, STATE OF CALIFORNIA, AND
THE BOUNDARIES THEREOF**

WHEREAS, on September 10, 2024, the City Council (the “City Council”) of the City of Fontana (the “City”) adopted Resolution No. 2024-107 (the “Resolution of Intention”), declaring its intention to establish a community facilities district to be known as “City of Fontana Community Facilities District No. 116M, County of San Bernardino, State of California” (“CFD No. 116M”) under the provisions of Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982” (the “Act”) for the purpose of providing certain public services, and fixing the time and place for a public hearing (the “Public Hearing”) on the formation of CFD No. 116M and the levy of special taxes therein; and

WHEREAS, as part of the Resolution of Intention, the City Council approved a boundary map of CFD No. 116M (the “Boundary Map”), as required by California Streets and Highways Code Section 3110, entitled “Proposed Boundaries of City of Fontana Community Facilities District No. 116M, San Bernardino County, State of California,” which is attached hereto as Exhibit “A” and incorporated herein by this reference; and

WHEREAS, notice of the Public Hearing was published and mailed to the owners of all of the property in the proposed boundaries of CFD No. 116M; and

WHEREAS, prior to the commencement of the Public Hearing there was filed with the City Council a report (the “Report”) containing a description of the services being financed within and for CFD No. 116M and an estimate of costs of providing such services, as required by Section 53321.5 of the Act, and such Report has been reviewed by the City Council; and

WHEREAS, on October 22, 2024, at the time and place set by the Resolution of Intention, the City Council conducted the Public Hearing and considered the establishment and extent of CFD No. 116M, the levy of the special tax and the proposed rate, method, and apportionment and manner of collection of the special tax, the provision of services by CFD No. 116M, the establishment of an appropriations limit, and all other matters set forth in the Resolution of Intention; and

WHEREAS, at the Public Hearing all interested persons, including all taxpayers, property owners, and registered voters within the proposed boundaries of CFD No. 116M, were given an opportunity to appear and to be heard, and the testimony and protests of all interested persons and all taxpayers, property owners, and registered voters for or against the formation of CFD No. 116M, the levy of the special taxes therein, the provision of the services to be authorized therein, and any other matters set forth in the Resolution of Intention were heard and considered, and a full and fair hearing was held; and

WHEREAS, at the Public Hearing evidence was presented to the City Council on the matters before it, and the City Council, at the conclusion of the hearing, was fully advised as to all matters set forth in the Resolution of Intention; and

WHEREAS, the City Clerk has advised the City Council that a statement from the Registrar of Voters of the County of San Bernardino was received which stated that there are no persons registered to vote in the territory of CFD No. 116M; and

WHEREAS, the City Council now desires to proceed to establish CFD No. 116M.

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

Section 1. Findings. The City Council hereby finds and determines as follows:

(a) All of the preceding recitals are true and correct and are incorporated herein by this reference;

(b) At its meeting on September 10, 2024, pursuant to notice thereof duly given as provided by law, the City Council conducted the Public Hearing with respect to the formation of CFD No. 116M and the annual levying of specified special taxes on the taxable property within CFD No. 116M to pay the costs of services for CFD No. 116M, which are described in Exhibit “B” attached hereto;

(c) All prior proceedings with respect to the formation of CFD No. 116M prior to and during the Public Hearing which were conducted by the City Council were valid and in conformity with the requirements of the Act, and except to the extent inconsistent with this Resolution, the Resolution of Intention is reaffirmed, and its provisions and findings are, to that same extent, incorporated herein by this reference;

(d) The Boundary Map was recorded on September 24, 2024, pursuant to Section 3110 *et seq.* of the California Streets and Highways Code, at page 99 of Book 91 of Maps of Assessment and Community Facilities Districts, and as Document No. 2024-2024-0228086, in the official records of the County of San Bernardino;

(e) At the close of the Public Hearing, written protests, if any, to the establishment or extent of CFD No. 116M or to any other matter contained in the Resolution of Intention, were submitted by less than fifty percent (50%) of the registered voters, or by less than six of the registered voters, if any, residing within the territory proposed to be included in CFD No. 116M. Similarly, the City Council finds that at the close of the Public Hearing, such written protests, if any, were submitted by the owners of less than one-half of the area of land in the territory proposed to be included in CFD No. 116M and not exempt from the special tax. Thus, the City Council finds that it is not precluded by the Act from proceeding further in this matter. The City Council further orders and determines that all protests, if any, that may have been submitted have been considered and are hereby overruled; and

(f) No persons have been registered to vote within the territory of CFD No. 116M for each of the ninety (90) days preceding the close of the Public Hearing, and pursuant to Section

53326 of the Act, the vote in the Special Election (as defined below) provided for herein shall, therefore, be by the landowners within CFD No. 116M, and each landowner shall have one vote for each acre, or portion thereof, which he or she owns within CFD No. 116M which is not exempt from the special tax.

Section 2. Formation of District. The City of Fontana Community Facilities District No. 116M, County of San Bernardino, State of California, is hereby established. The boundaries of CFD No. 116M are described and shown on the Boundary Map which is on file with the City Clerk and attached hereto as Exhibit “A” and incorporated herein, and said boundaries are hereby approved and established.

Section 3. Types of Services; Incidental Expenses. The services authorized to be financed by and through CFD No. 116M shall be those services shown on Exhibit “B” hereto (the “Services”). The City Council finds that the Services do not in any way exceed the description of the authorized services proposed in the Resolution of Intention. All of the Services are necessary to meet increased demands placed on the City as a result of development occurring and anticipated to occur within CFD No. 116M.

CFD No. 116M shall also finance all costs associated with the establishment of CFD No. 116M, administration thereof, the determination of the amount of any special taxes to be levied, the costs of collecting any special taxes, and costs otherwise incurred in order to carry out the authorized purpose of CFD No. 116M.

Section 4. Special Taxes and Appropriations Limit. Except where funds are otherwise available, a special tax sufficient to pay for the Services and related incidental expenses provided in Section 3 above and the annual administrative expenses of the City and CFD No. 116M and in determining, apportioning, levying and collecting such special taxes shall be annually levied within CFD No. 116M. The rate and method of apportionment of said special taxes shall be as set forth in Exhibit “C” attached hereto and by this reference made a part hereof, which sets forth in sufficient detail the rate and method of apportionment of the special taxes to allow each landowner or resident within CFD No. 116M to clearly estimate the maximum amount that such person will have to pay.

Pursuant to Section 53340 of the Act, the special taxes shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 116M may collect special taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent assessor’s parcels as permitted by the Act.

Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special taxes shall attach to all non-exempt real property in CFD No. 116M, and that lien shall continue in force and effect until the collection of the special tax ceases. The Finance Department of the City of Fontana, 8353 Sierra Avenue, Fontana, California, is designated as the office responsible for annually preparing a current roll of special tax levy obligations by assessor’s parcel numbers and for estimating future special tax levies pursuant to Section 53340.2 of the Act.

Pursuant to Section 53325.7 of the Act, and subject to voter approval, the initial appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII of the California Constitution, for CFD No. 116M is established in the amount of \$5,000,000.

Section 5. Exempt Properties. Pursuant to Section 53340 of the Act, and except as provided in Section 53317.3 of the Act, properties of entities of the state, federal, and local governments shall be exempt from the levy of special taxes.

Section 6. Report. The Report is hereby approved and is made a part of the record of the Public Hearing regarding the formation of CFD No. 116M and is ordered to be kept on file with the City Clerk as part of the transcript of these proceedings.

Section 7. Description of Voting Procedures. The voting procedures to be followed in conducting the special election (the “Special Election”) as to (i) the proposition with respect to the levy of special taxes on taxable property within CFD No. 116M to pay the costs of the services to be provided by CFD No. 116M, and (ii) the proposition with respect to establishing an appropriations limit for CFD No. 116M in the amount of \$5,000,000, shall be as follows:

(a) Except as otherwise provide below, the Special Election shall be conducted by the City Clerk pursuant to the California Elections Code governing mail ballot elections of cities, and in particular, the provisions of Division 4 (commencing with Section 4000) of said Code, insofar as they may be applicable.

(b) The Special Election shall be held on the earliest date, which may be selected by the City Council, following the adoption by the City Council of this Resolution and a resolution pursuant to Section 53326 of the Act submitting to the qualified electors the propositions with respect to the levy of special taxes to pay the costs of the services to be provided by CFD No. 116M and establishing an appropriations limit therefor, or such earlier date as the owners of land within CFD No. 116M and the City Clerk agree and concur is acceptable.

(c) Pursuant to Section 53326 of the Act, the time limits for conducting the Special Election may be waived by the qualified electors by unanimous consent and the City Clerk concurs in such earlier election date as shall be consented to by the qualified electors.

(d) Pursuant to said Section 53326 of the Act, ballots for the Special Election shall be distributed to the qualified electors by the City Clerk by mail with return postage prepaid, or by personal service.

(e) Pursuant to applicable sections of the California Elections Code governing the conduct of mail ballot elections of cities, and specifically Division 4 (commencing with Section 4000) of the California Elections Code with respect to elections conducted by mail, the City Clerk shall mail or deliver to each qualified elector an official ballot in a form specified by the City Council in the resolution calling and consolidating the Special Election, and shall also mail or deliver to all such qualified electors a ballot pamphlet and instructions to voter, and unless waived as provided for in the Act, shall include a sample ballot identical in form to the official ballot but identified as a sample ballot, an impartial analysis by the City Attorney pursuant to Section 9280 of that Code with respect to the ballot propositions contained in the official ballot, arguments and

rebuttals, if any, pursuant to Sections 9281 to 9287, inclusive, and 9295 of that Code, a return identification envelope with prepaid postage thereon addressed to the City Clerk for the return of voted official ballots, and a copy of the Resolution of Intention, provided, however, that such conduct, statements, analysis and arguments may be waived pursuant to the Act with the unanimous consent of all the landowners who are qualified electors and shall be so stated in the resolution adopted by the City Council calling the Special Election. Such statements, impartial analysis and arguments, if any, shall be prepared by the City Attorney.

(f) The official ballot to be mailed or delivered by the City Clerk to each landowner-voter shall have printed or typed thereon the name of the landowner-voter and the number of votes to be voted by the landowner-voter and shall have appended to it a certification to be signed by the person voting the official ballot which shall certify that the person signing the certification is the person who voted the official ballot, and if the landowner-voter is other than a natural person, that he or she is an officer of or other person affiliated with the landowner-voter entitled to vote such official ballot, that he or she has been authorized to vote such official ballot on behalf of the landowner-voter, that in voting such official ballot it was his or her intent, as well as the intent of the landowner-voter, to vote all votes to which the landowner-voter is entitled based on its land ownership on the propositions set forth in the official ballot as marked thereon in the voting square opposite each such proposition, and further certifying as to the acreage of the landowner-voter's land ownership within CFD No. 116M.

(g) The return identification envelope mailed or delivered by the City Clerk to each landowner-voter shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the address of the voter, (vi) the date of signing and place of execution of said declaration, and (vii) a notice that the envelope contains an official ballot and is to be opened only by the City Clerk as the election official.

(h) The instructions to voter form to be mailed or delivered by the City Clerk to the landowner-voters shall inform them that the official ballots shall be returned to the City Clerk properly voted as provided thereon and with the certification appended thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted by 2:00 p.m. on the date of the election; provided that if all qualified voters have voted, the election shall be closed with the concurrence of the City Clerk.

(i) Upon receipt of the return identification envelopes which are returned prior to the voting deadline on the date of the election, the City Clerk shall canvass the votes cast in the Special Election, and shall file a statement with the City Council as to the results of such canvass and the election on each proposition set forth in the official ballot.

The procedures set forth in this section for conducting the Special Election, if it is held, may be modified as the City Council may determine to be necessary or desirable by a resolution subsequently adopted by the City Council.

Section 8. Effective Date. This Resolution shall take effect immediately from and after the date of its passage and adoption.

APPROVED AND ADOPTED this 22nd day of October, 2024.

READ AND APPROVED AS TO LEGAL FORM:

City Attorney

I, Germaine Key, City Clerk of the City of Fontana, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City of Fontana at a regular meeting on the 22nd day of October, 2024, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk of the City of Fontana

Mayor of the City of Fontana

ATTEST:

City Clerk

EXHIBIT A
BOUNDARY MAP

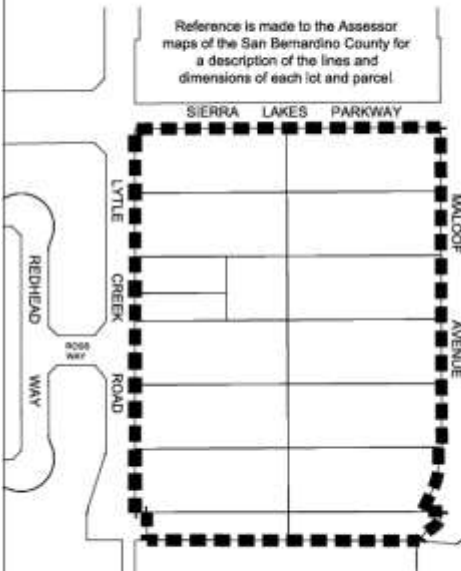
<p>SHEET 1 OF 1</p> <p style="text-align: center;">PROPOSED BOUNDARIES OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 116M SAN BERNARDINO COUNTY STATE OF CALIFORNIA</p> <div style="display: flex; justify-content: space-between; align-items: flex-start; padding: 10px;"><div style="width: 45%;"><p>Reference is made to the Assessor maps of the San Bernardino County for a description of the lines and dimensions of each lot and parcel.</p><div style="width: 50%; text-align: center;"><p>LEGEND</p><p>Proposed Boundaries of City of Fontana Community Facilities District No. 116M</p><p>Assessor Parcel Line</p><p>Assessor Parcel Numbers within the Boundaries of City of Fontana Community Facilities District No. 116M: 1108-052-02-0000 through 1108-052-17-0000</p></div></div></div> <div style="width: 55%; vertical-align: top; padding: 10px;"><p>(1) Filed in the office of the Clerk of the City of Fontana this _____ day of _____, 2024.</p><p>_____ Germaine Key, Clerk of the City of Fontana, California</p><p>(2) I hereby certify that the within map showing the proposed boundaries of City of Fontana Community Facilities District No. 116M, San Bernardino County, State of California, was approved by the City Council of the City of Fontana at a regular meeting thereof, held on the _____ day of _____, 2024, by its Resolution No. _____.</p><p>_____ Germaine Key, Clerk of the City of Fontana, California</p><p>San Bernardino County Recorder's Certificate</p><p>This map has been filed under Document Number _____, this _____ day of _____, 2024, at _____ m., in Book _____ of Maps of Assessment and Community Facilities Districts at page _____, in the office of the county recorder in San Bernardino County, State of California, at the request of the City of Fontana in the amount of \$ _____.</p><p>Chris Wilhite Assessor-Recorder San Bernardino County</p><p>By: _____ Deputy Recorder</p></div>	
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EXHIBIT B

DESCRIPTION OF PUBLIC SERVICES

The types of services to be provided by the proposed community facilities district are the maintenance of parks, parkways, street lighting and open space within and surrounding the area of the District and within and surrounding the area of any territory to be annexed to the District in the future and the costs associated with the determination of the amount of and collection of the special taxes, and the payment of any costs otherwise incurred in order to carry out the authorized purposes of the community facilities district.

“Maintenance” means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of such parks, parkways, street lighting and open space, and the incidental costs related thereto, including but not limited to:

- a) Repair, removal, or replacement of all or any part of any improvement.
- b) Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- c) The removal of trimmings, rubbish, debris, and other solid waste.
- d) The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.
- e) Any and all other services authorized pursuant to the Act.

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 116M OF THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property in City of Fontana Community Facilities District No. 116M ("CFD No. 116M") and collected each Fiscal Year, commencing in Fiscal Year 2025-2026, in an amount determined by the City Council of the City of Fontana, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 116M, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the land area expressed 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 shown on the applicable final map, parcel map, condominium plan, or other recorded County map or the land area calculated to the reasonable satisfaction of the CFD Administrator using the boundaries set forth on such map or plan.

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

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 116M, including, but not limited to: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs to the City, CFD No. 116M or any designee thereof of complying with City or CFD No. 116M disclosure requirements; the costs associated with responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 116M or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 116M for any other administrative purposes of CFD No. 116M, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

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

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County of San Bernardino for purposes of identification.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement, providing for the levy and collection of the Special Taxes, and performing other duties as set forth herein.

"CFD No. 116M" means the City of Fontana Community Facilities District No. 116M.

"City" means the City of Fontana, California.

"Council" means the City Council of the City of Fontana, acting as the legislative body of CFD No. 116M.

"County" means the County of San Bernardino.

"Developed Property" means, for each Fiscal Year, all Assessor's Parcels of Taxable Property for which (i) a Final Residential Subdivision has been recorded with the County as of January 1 of the previous Fiscal Year or (ii) a building permit for new construction has been issued on or before January 1 of the previous Fiscal Year for a non-residential use.

"Final Residential Subdivision" means a Final Subdivision that creates individual lots for which building permits may be issued for residential dwelling units without further subdivision of such property.

"Final Subdivision" means (i) a subdivision of property by recordation of a final map, parcel map, or lot line adjustment approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which building permits may be issued, or (ii) for condominiums, a final map approved by the City and a condominium plan recorded pursuant to California Civil Code Section 4285 that creates an individual lot(s) for which a building permit(s) may be issued without further subdivision. The term "Final Subdivision" shall not include any Assessor's Parcel Map or subdivision map or portion thereof that does not create individual lots for which a building permit may be issued, including Assessor's Parcels that are designated as remainder parcels. Notwithstanding the above, a condominium plan for which one or more building permits have been issued, but no individual lots have been created for such building permits, shall be considered a Final Subdivision, and the portion of the condominium plan for which building permits have been issued shall be defined as Developed Property.

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

"Land Use Class" means any of the classes listed in Table 1 below.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C hereof, that can be levied by CFD No. 116M in any Fiscal Year on any Assessor's Parcel.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction of one or more non-residential structures or facilities.

"Property Owner Association Property" means, for each Fiscal Year, any Assessor's Parcel within the boundaries of CFD No. 116M that was owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association, as of January 1 of the previous Fiscal Year.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property.

"Public Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 116M that is (i) owned by, irrevocably offered or dedicated to the federal government, the State, the County, the City, or any local government or other public agency, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by a public utility easement making impractical its use for any purpose other than that set forth in the easement. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment of Special Taxes for CFD No. 116M.

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

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 116M to pay for: (1) maintenance services authorized to be financed by CFD No. 116M, (2) Administrative Expenses, (3) anticipated delinquent special taxes (such delinquent special taxes shall be estimated based on the delinquency rate in CFD No. 116M for the previous Fiscal Year), and (4) less a credit for funds available to reduce the annual Special Tax levy, if any, as determined by the CFD Administrator.

"Taxable Property" means all of the Assessor’s Parcels within the boundaries of CFD No. 116M which are not exempt from the Special Tax pursuant to law or Section E below.

“Undeveloped Property” means, for each Fiscal Year, all Assessor’s Parcels of Taxable Property which are not categorized as Developed Property.

"Welfare Exemption" means, for each Fiscal Year, any Assessor's Parcel that is subject to a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County’s assessment roll finalized as of the last preceding January 1.

B. ASSIGNMENT TO LAND USE CATEGORIES

For each Fiscal Year, commencing with Fiscal Year 2025-2026, all Taxable Property within CFD No. 116M shall be categorized as either Developed Property or Undeveloped Property, and shall be subject to the Special Tax in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

The Fiscal Year 2025-2026 Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be equal to the amount shown in the table below:

TABLE 1
Fiscal Year 2025-2026
Maximum Special Tax for Developed Property

Land Use Class	FY 2025-2026 Maximum Special Tax
Final Residential Subdivision	\$737 per lot
Non-Residential Property	\$8,217 per Acre

On each July 1, commencing July 1, 2026, the Maximum Special Tax for Developed Property shall increase by two percent (2%) per Fiscal Year.

2. Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property shall be equal to \$0 per Acre.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2025-2026 and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement and the City shall provide for the levy of the Special Tax until the total Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the Maximum Special Tax for such Assessor's Parcel.

E. EXEMPTIONS

No Special Tax shall be levied on (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (iv) Assessor's Parcels which are privately owned and are encumbered by or restricted solely for public uses, (v) or any Assessor's Parcel that has a Welfare Exemption. Should an Assessor's Parcel, however, no longer be classified as items (i)-(v) above, including Property Owner Association Property, Public Property, or have a Welfare Exemption, its tax-exempt status will, without the necessity of any action by the Council, terminate.

The exempt status of any property will be determined by the CFD Administrator and such determination shall be final.

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 and shall be subject to the same penalties, and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes; provided, however, that CFD No. 116M may directly bill the Special Tax, and/or may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 116M.

G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity as necessary to meet the Special Tax Requirement, unless no longer required to pay for the authorized services as determined at the discretion of the Council.

H. APPEALS

Any landowner or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may submit a written appeal to the CFD Administrator, provided that the appellant is current in his/her payment of Special Taxes. 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 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, a cash refund shall not be made (except for the last year of levy), but the amount of the Special Tax levied shall be appropriately modified, reduced, or eliminated through an adjustment to the Special Tax levy in the following Fiscal Year. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has thirty (30) days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payment of Special Taxes. This second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator shall 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 CFD Administrator shall be subject to appeal to the Council whose decision shall be final and binding as to all persons.

I. PREPAYMENT

No prepayments of the Special Tax are permitted.