

RESOLUTION NO. \_\_\_\_

RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA, TO ESTABLISH THE CITY OF RICHMOND COMMUNITY FACILITIES DISTRICT NO. 2022-1 (POINT MOLATE), AND TO DESIGNATE THREE IMPROVEMENT AREAS THEREIN, TO AUTHORIZE THE LEVY OF A SPECIAL TAX TO PAY THE COST OF ACQUIRING OR CONSTRUCTING CERTAIN FACILITIES, PROVIDE CERTAIN SERVICES AND PAY FOR CERTAIN INCIDENTAL EXPENSES AND TO PAY DEBT SERVICE ON BONDED INDEBTEDNESS

WHEREAS, the City of Richmond, California (the "City") is the fee title owner of 100% of the real property (the "Property") described in (i) Exhibit A-1 to that certain Disposition and Development Agreement for Point Molate Mixed-Use Development, by and between the City and Winehaven Legacy LLC, a Delaware limited liability company ("Winehaven"), dated as of September 30, 2020 (the "DDA"), and (ii) Exhibit A to that certain Development Agreement, by and between the City and Winehaven, dated as of October 21, 2020 (the "DA" and together with the DDA, the "Development Agreements"); and

WHEREAS, the Property was formerly within the boundaries of Point Molate Naval Fuel Depot ("Naval Fuel Depot") prior to its closure and is owned by the City; and

WHEREAS, pursuant to the terms and conditions set forth in the Development Agreements, subsequent to formation of the Community Facilities District (as defined below), the City intends to convey the Property to Winehaven which will develop the Property as set forth therein; and

WHEREAS, the Development Agreements provide for the establishment of a community facilities district, and multiple improvement areas therein, to provide for financing of certain facilities and services described therein; and

WHEREAS, pursuant to Section 53318(a) of the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act"), the City Council of the City (the "City Council") has received a written request from two of its City Councilpersons to commence proceedings to form a community facilities district with boundaries coterminous with the Property to be known as the "City of Richmond Community Facilities District No. 2022-1 (Point Molate)" (the "Community Facilities District" or "CFD No. 2022-1"), and to designate three improvement areas therein, to finance (1) the purchase, construction, expansion, improvement or rehabilitation of the facilities described in Exhibit B hereto (which attachment is incorporated herein by this reference) (collectively, the "Facilities"), including, but not limited to, those facilities to be owned and operated by the City or utility companies, including all furnishings, equipment and supplies related thereto (collectively, the "City Facilities"), which City Facilities have a useful life of five years or longer, and those facilities described in Exhibit B hereto to be owned and operated by the East Bay Municipal Utility District ("EBMUD"), including all furnishings, equipment and supplies related thereto (collectively, the "EBMUD Facilities,"), which EBMUD Facilities have a useful life of five years or longer, (2) the services described in Exhibit B hereto (collectively the "Services") and (3) the incidental expenses to be incurred in connection with financing the Facilities and/or Services, and forming the Community Facilities District and designating the three improvement areas therein, and

administering the Community Facilities District, and the three improvement areas therein (the “Incidental Expenses”); and

WHEREAS, it is the intention of the City Council to consider financing the Facilities, Services and the Incidental Expenses through the formation of the Community Facilities District, and the three improvement areas therein, and the sale of bonds (excluding the Services) in an amount not to exceed \$292,000,000, consisting of \$61,000,000 for Improvement Area No. 1 of the Community Facilities District, \$47,000,000 for Improvement Area No. 2 of the Community Facilities District and \$184,000,000 for Improvement Area No. 3 of the Community Facilities District (collectively, the “Obligations”) and the levy of a special tax in each improvement area to finance Facilities directly and to pay debt service on the Obligations relating to the applicable improvement area, provided that the aggregate bond authorization and special tax levy are approved at an election to be held for each improvement area therein; and

WHEREAS, the legal descriptions for Improvement Area No. 1 of the Community Facilities District, Improvement Area No. 2 of the Community Facilities District and Improvement Area No. 3 of the Community Facilities District are included in Exhibit A hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHMOND THAT:

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

Section 2. Intention. The City Council declares its intention to conduct proceedings pursuant to the Act for the establishment of the Community Facilities District with the exterior boundaries coterminous with the Property, and to designate the three improvement areas therein. It is further proposed that the boundaries of the Community Facilities District, and the three improvement areas therein, shall be as described in Exhibit A hereto. The City Clerk is hereby directed to sign the original boundary map of the Community Facilities District and record it with all proper endorsements thereon with the County Recorder of the County of Orange within 15 days after the adoption of this resolution, all as required by Section 3111 of the Streets and Highways Code of the State of California.

Until the Property is conveyed to Winehaven, the Property owned by the City that is intended to be conveyed to Winehaven will be subject to the special tax of the Community Facilities District on the same basis as private property within the Community Facilities District, and the City hereby affirmatively waives any defense based on the fact of public ownership of the Property currently owned by the City, to any action to foreclose on such Property in the event of nonpayment of the special tax imposed by the Community Facilities District.

Section 3. Name of the Community Facilities District. The name of the proposed Community Facilities District shall be “City of Richmond Community Facilities District No. 2022-1 (Point Molate).”

Section 4. Types of Facilities and Services to be Financed by the Community Facilities District. The Facilities proposed to be provided within the Community Facilities District are facilities authorized by the Act. The City is authorized by law to construct, acquire, own and operate the City Facilities and to provide the Services described in Exhibit B hereto for the benefit of the Community Facilities District. EBMUD is authorized by law to construct, acquire, own and operate the EBMUD Facilities described in Exhibit B hereto. The City Council hereby finds and determines that the description of the Facilities, Services and Incidental Expenses

herein is sufficiently informative to allow taxpayers within the Community Facilities District to understand what the funds of the Community Facilities District may be used to finance, the Facilities, Services and Incidental Expenses expected to be incurred, including the cost of planning and designing the Facilities, the costs of forming the Community Facilities District, and the three improvement areas therein, issuing bonds, levying and collecting a special tax within each improvement area of the Community Facilities District and the annual administration costs of the Community Facilities District. The City Council hereby finds that the proposed Facilities and Services are necessary to meet increased demands placed upon the City and EBMUD as a result of development expected to occur in the Community Facilities District. The Facilities may be acquired from one or more of the property owners as completed facilities or may be constructed by or on behalf of the City or EBMUD and paid for with special taxes or bond proceeds. Any portion of the Facilities may be financed through a lease or lease-purchase arrangement if the City or EBMUD hereafter determines that such arrangement is of benefit to the City or EBMUD.

Section 5. Special Taxes. Except where funds are otherwise available, it is the intention of the City Council to levy annually in accordance with the procedures contained in the Act a special tax, secured by a continuing lien against all non-exempt real property in each improvement area of the Community Facilities District, sufficient to pay for the Facilities, Services and Incidental Expenses and the principal and interest and other periodic costs of Obligations issued to finance the Facilities and Incidental Expenses, including the establishment and replenishment of any reserve funds deemed necessary by the City, and any remarketing, credit enhancement and liquidity facility fees (including such fees for instruments which serve as the basis of a reserve fund in lieu of cash) of the Community Facilities District. The rate and method of apportionment for and manner of collection of the special tax in each of Improvement Area No. 1 of the Community Facilities District, Improvement Area No. 2 of the Community Facilities District and Improvement Area No. 3 of the Community Facilities District is described in detail in Exhibits C, D and E attached hereto (which attachments are incorporated herein by this reference). Exhibits C, D and E allow each landowner within the Community Facilities District to estimate the maximum amount of special taxes that may be levied annually against each parcel to be included in the applicable improvement area.

If special taxes within an improvement area of the Community Facilities District are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall not be increased except to the extent permitted in the applicable rate and method included as Exhibits C, D or E hereto, (ii) such special tax shall not be levied later than the 2081-82 Fiscal Year for the component of the special tax used to finance Facilities and Incidental Expenses and for as long as necessary to meet the special tax requirement for Services, and (iii) under no circumstances shall such special tax be increased in any fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within such improvement area by more than ten percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

The special tax in each improvement area is based on the cost of making the Facilities and Services available to each parcel of real property within such improvement area. The City Council hereby determines the rate and method of apportionments of the special tax set forth in Exhibits C, D and E to be reasonable. Each special tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act; and such special tax is not on or based upon the value of real property. In the event that a portion of the property within an improvement area shall become for any reason exempt, wholly or partially, from the levy of the special tax specified in Exhibits C, D or E, as applicable, the City Council shall, on behalf of the

Community Facilities District, cause the applicable special tax levy to be increased, subject to the limitation of the maximum special tax for a parcel as set forth in Exhibits C, D or E, as applicable, to the extent necessary upon the remaining property within such improvement area which is not exempt in order to yield the special tax revenues required for the purposes described in this Section. The obligation to pay special taxes may be prepaid as provided in the rate and method of apportionment set forth in each of Exhibits C, D and E, as such rate and method may be amended hereafter.

Section 6. Public Hearing. A combined public hearing (the "Hearing") on the establishment of the Community Facilities District, and the designation of three improvement areas therein, and for each improvement area, the proposed rate and method of apportionment of the special tax and the proposed issuance of Obligations to finance the Facilities and the Incidental Expenses shall be held at 6:30 p.m., or as soon thereafter as practicable, on April 19, 2022, at the City Council's Chambers, 450 Civic Center Plaza, Richmond, California. If the City Council determines to form the Community Facilities District, and designate the three improvement areas therein, a special election will be held in each improvement area to authorize the issuance of the Obligations and the levy of the special tax in accordance with the procedures contained in Government Code Section 53326. If such election is held, the proposed voting procedure at the election will be a landowner vote with each landowner (including the City pursuant to Section 53317(f) of the Act) who is the owner of record of land within each improvement area at the close of the Hearing, or the authorized representative thereof, having one vote for each acre or portion thereof owned within such improvement area. Ballots for the special election may be distributed by mail or by personal service.

At the time and place set forth above for the Hearing, the City Council will receive testimony as to whether the Community Facilities District, and the three improvement areas therein, shall be established, whether special taxes shall be levied in accordance with the proposed rate and method of apportionment of the special tax within the applicable improvement area, and whether Obligations shall be issued within the applicable improvement area to finance Facilities and Incidental Expenses of the Community Facilities District.

At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within each improvement area of the Community Facilities District, may appear and be heard.

Section 7. Notice. The City Clerk is hereby authorized and directed to publish a notice (the "Notice") of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the Community Facilities District. The Notice shall contain the text or a summary of this Resolution, the time and place of the Hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in each improvement area of the Community Facilities District and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

Section 8. Reports re Facilities and Services. The Director of Public Works of the City is hereby directed to study the Community Facilities District and, at or before the time of the Hearing, file a report with the City Council containing a brief description of the facilities and services by type which will in his or her opinion be required to meet adequately the needs of the Community Facilities District and an estimate of the cost of providing those facilities and services.

Section 9. Advances of Funds. The City may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, for any authorized purpose under the Act, including, but not limited to, paying any cost incurred by the City in creating the Community Facilities District. The City may enter into an agreement with the person or entity advancing the funds or work-in-kind for the Community Facilities District, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the City Council, with or without interest.

Section 10. Maximum Bonded Indebtedness. The reasonably expected maximum aggregate principal amount of the Obligations is Two Hundred Ninety-Two Million Dollars (\$292,000,000), consisting of Sixty-One Million Dollars (\$61,000,000) for Improvement Area No. 1 of the Community Facilities District, Forty-Seven Million Dollars (\$47,000,000) for Improvement Area No. 2 of the Community Facilities District and One Hundred Eighty-Four Million Dollars (\$184,000,000) for Improvement Area No. 3 of the Community Facilities District.

Section 11. Reservation of Rights. Except to the extent limited in any bond resolution or trust indenture related to the issuance of Obligations, the City Council hereby reserves to itself all rights and powers set forth in Section 53344.1 of the Act (relating to tenders in full or partial payment).

Section 12. Effective Date. This Resolution shall be effective upon its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Richmond held on the 15th day of March, 2022.

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Tom Butt,  
Mayor

ATTEST:

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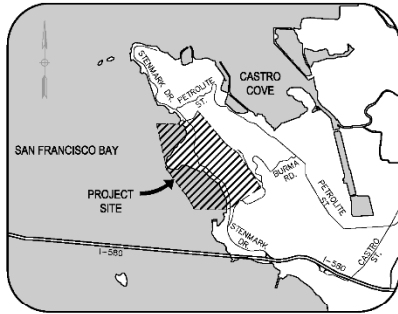
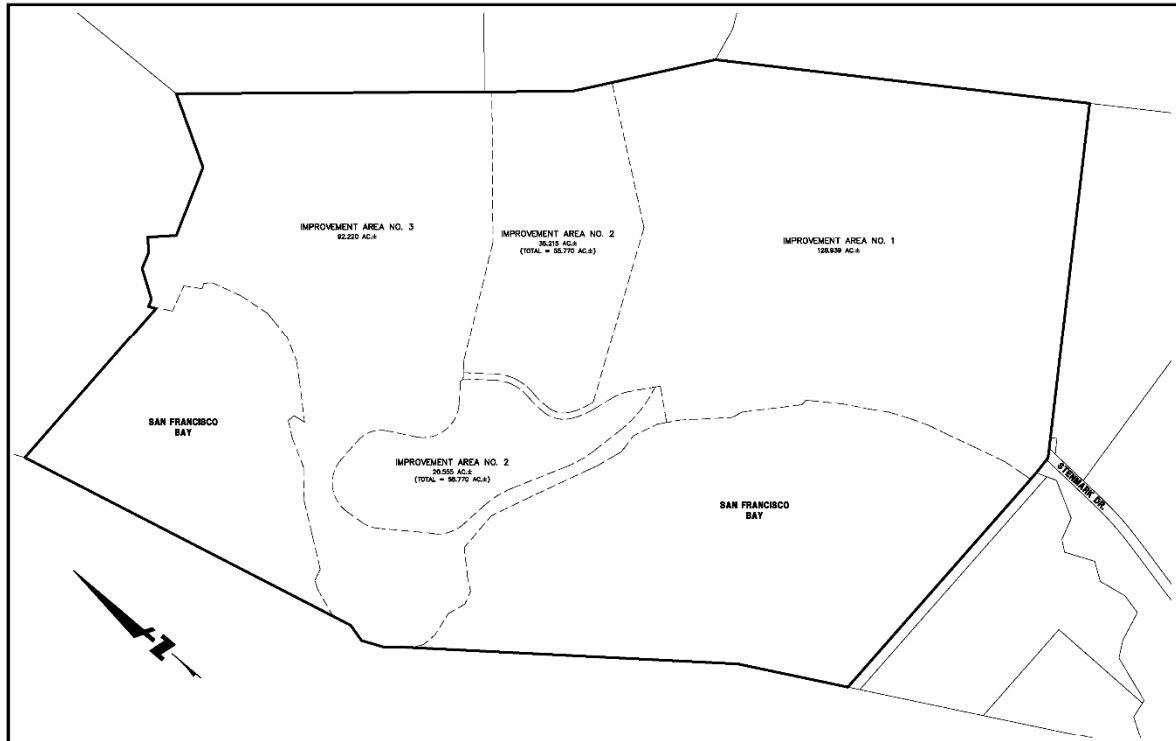
Pamela Christian,  
City Clerk



EXHIBIT A

DESCRIPTION OF THE TERRITORY OF THE  
PROPOSED COMMUNITY FACILITIES DISTRICT  
AND EACH IMPROVEMENT AREA THEREIN





**VICINITY MAP**  
N.T.S.

**LEGEND**

- DISTRICT BOUNDARY — CITY OF RICHMOND COMMUNITY FACILITIES DISTRICT NO. 2022-1 (POINT MOLATE FACILITIES AND SERVICES)
- - - ADJACENT LOT LINES IMPROVEMENT AREA BOUNDARIES
- NAP NOT A PART
- APN ASSESSOR PARCEL NUMBER

**APN TABLE**

IMPROVEMENT AREA NO. 1	561-100-008 (PORTION)
IMPROVEMENT AREA NO. 2	561-100-008 (PORTION)
IMPROVEMENT AREA NO. 3	561-100-008 (PORTION)
CFD NO. 2022-1	561-100-008

**NOTES:**

FOR PARTICULARS OF LINES AND DIMENSIONS OF PARCELS, REFERENCE IS MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICIAL RECORDS OF THE COUNTY OF CONTRA COSTA. THOSE MAPS AND DEEDS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS.

TAXES LEVIED BY THIS DISTRICT MAY BE USED TO PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES.

**PROPOSED BOUNDARIES OF CITY OF RICHMOND COMMUNITY FACILITIES DISTRICT NO. 2022-1 (POINT MOLATE FACILITIES AND SERVICES), CITY OF RICHMOND, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

LYING ENTIRELY WITHIN THE CITY OF RICHMOND

CONTRA COSTA COUNTY, CALIFORNIA

SCALE: NOT TO SCALE FEBRUARY 2022



1730 N. FIRST STREET  
SUITE 600  
SAN JOSE, CA 95112  
408-467-9100  
www.bkf.com

BKF NO. 20166080

SHEET 1 OF 1

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF RICHMOND THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

CITY CLERK, CITY OF RICHMOND

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CITY OF RICHMOND COMMUNITY FACILITIES DISTRICT NO. 2022-1 (POINT MOLATE FACILITIES AND SERVICES), CITY OF RICHMOND, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF RICHMOND, AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_, BY ITS RESOLUTION NO. \_\_\_\_\_.

CITY CLERK, CITY OF RICHMOND

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M., IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA.

COUNTY RECORDER, COUNTY OF CONTRA COSTA

**Boundaries of Proposed Improvement Area No. 1:**

The land referred to herein is situated in the City of Richmond, Contra Costa County, State of California, and is described as follows:

Being all of Disposal Areas 4, 6 and 7, and a portion of Disposal Areas 1 and 2 as described in that certain Quitclaim Deed, recorded September 30, 2003, as Document Number 2003-0489200 (2003-0489200), Official Records of Contra Costa County, also being all of Disposal Area 5, and a portion of Disposal Area 10 as described in that certain Quitclaim Deed, recorded March 29, 2010, as Document Number 2010-0060367 (2010-0060367), Official Records of Contra Costa County, more particularly described as follows:

**BEGINNING** at the most easterly corner of said Disposal Area 7 (2003-0489200), at a found 6-inch concrete monument with brass pin as referenced on the Record of Survey, filed for record May 14, 1975, in Book 59 of Licensed Land Surveyor's Maps at page 10 (59 LSM 10), Contra Coast County Records;

Thence leaving said corner southwesterly along the southeasterly line thereof, South 56°35'43" West, 2,151.38 feet to an angle point on the southerly line of said Disposal Area 4 (2003-0489200);

Thence continuing along said southerly line South 87°53'09" West, 114.97 feet, to a point on the westerly line of the Exterior Boundary of the San Pablo Rancho as shown on the "Map of the San Pablo Rancho, Accompanying and Forming a Part of the Final Report of the Referees in Partition," dated September 1, 1893;

Thence continuing along said southerly boundary line South 88°42'31" East, 51.77 feet to an intersection with the Mean High-Water Line of San Francisco Bay, as described in said Documents (2003-0489200) (2010-0060367); thence along said Mean High-Water Line, the following meandered courses:

- (1) North 05°29'37" West, 62.07 feet;
- (2) North 05°48'09" West, 122.19 feet;
- (3) North 14°34'41" West, 222.25 feet;
- (4) North 15°07'37" West, 156.33 feet;
- (5) North 14°17'10" West, 132.12 feet;
- (6) North 20°05'53" West, 117.22 feet;
- (7) North 23°10'52" West, 133.84 feet;
- (8) North 31°06'20" West, 121.34 feet;
- (10) North 29°09'30" West, 164.48 feet;
- (11) North 34°19'53" West, 220.85 feet;
- (13) North 89°22'42" West, 36.28 feet;
- (14) North 47°02'43" West, 362.72 feet;
- (15) North 68°49'46" West, 67.62 feet;
- (16) North 42°53'27" West, 311.67 feet;
- (17) North 50°08'38" West, 86.20 feet;

Thence leaving said Mean High-Water Line, the following 19 courses:

- 1) North 40°03'08" East, 221.84 feet, to the beginning of a non-tangent curve to the left having a radius of 2,378.00 feet, from which the center bears South 40°20'58"West;
- 2) Along said curve, through a central angle of 00°35'41" an arc length of 24.68 feet;
- 3) North 50°14'43"West, 172.02 feet to the beginning of a tangent curve to the left having a radius of 278.00 feet;
- 4) Along said curve, through a central angle of 21°24'26" an arc length of 103.87 feet;
- 5) North 71°39'09" West, 120.24 feet to the beginning of a tangent curve to the right having a radius of 522.00 feet;
- 6) Along said curve, through a central angle of 16°22'13", an arc length of 149.14 feet to a point of compound curvature having a radius of 192.00 feet;
- 7) Along said curve, through a central angle of 50°45'30", an arc length of 170.09 feet to a point of compound curvature having a radius of 522.00 feet;
- 8) Along said curve, through a central angle of 15°30'14", an arc length of 141.25 feet to a point of reverse curvature having a radius of 278.00 feet;
- 9) Along said curve, through a central angle of 48°56'39", an arc length of 237.48 feet;
- 10) North 37°57'51" West, 187.11 feet;
- 11) North 52°02'09" East, 38.00 feet;
- 12) South 37°57'51" East, 187.11 feet to the beginning of a tangent a curve to the right having a radius of 316.00 feet;
- 13) Along said curve, through a central angle of 48°56'39", an arc length of 269.94 feet to a point of reverse curvature having a radius of 484.00 feet;
- 14) Along said curve, through a central angle of 15°30'14", an arc length of 130.97 feet to a point of compound curvature having a radius of 154.00 feet;
- 15) Along said curve, through a central angle of 50°45'30", an arc length of 136.43 feet to a point of compound curvature having a radius of 484.00 feet;
- 16) Along said curve, through a central angle of 16°22'13" an arc length of 138.29 feet;
- 17) South 71°39'09" East, 10.64 feet;
- 18) North 66°02'04" East, 1,098.28 feet;
- 19) North 37°28'32" East, 894.14 feet to a point on the easterly line of said Disposal Area 1 (2003-0489200);

Thence North 52°31'27" East 636.93 feet to the corner common to Disposal Areas 1, 6, and 7, monumented by a found 6" concrete monument with brass pin as shown on said Record of Survey (59 LSM 10);

Thence North 33°27'25"West, 2,268.16 feet to the **POINT OF BEGINNING**.

Containing an area of 128.939 acres, more or less.

The basis of bearings for this description is based upon the California Coordinate System of 1983, CCS83, Zone 3, Epoch 2017.50, in accordance with California Public Resources Code Sections 8801-8819; said coordinates are based locally upon field-observed ties relative to California Spatial Reference Network Station p181. Distances are grid based. Divide by a combined scale factor of 0.99993778 to obtain ground distances.

**Boundaries of Proposed Improvement Area No. 2:**

The land referred to herein is situated in the City of Richmond, Contra Costa County, State of California, and is described as follows:

Being a portion of Disposal Areas 1 and 2, as described in that certain Quitclaim Deed, recorded September 30, 2003, as Document Number 2003-0489200 (2003-0489200), Official Records of Contra Costa County, also being a portion of Disposal Areas 3, 10, and 13 as described in that certain Quitclaim Deed, recorded March 29, 2010, as Document Number 2010-0060367 (2010-0060367), Official Records of Contra Costa County more particularly described as follows:

**PARCEL 1**

**COMMENCING** at the corner common to Disposal Areas 1, 6, and 7 (2003-0489200), at a found 6-inch concrete monument with brass pin as shown on the Record of Survey, filed for record February 12, 1985, in Book 76 of Licensed Land Surveyor's Maps at page 29 (76 LSM 29), Contra Coast County Records;

Thence northerly along the easterly line of said Disposal Area 1 (2003-0489200), North 52°31'27" West, 636.93 feet to the **POINT OF BEGINNING**;

Thence leaving said line, the following 11 courses:

- 1) South 37°28'32" West, 894.14 feet;
- 2) South 66°02'04" West, 1,098.28 feet;
- 3) North 71°39'09" West, 10.64 feet to the beginning of a tangent curve to the right with radius 484.00 feet;
- 4) Along said curve, through a central angle of 16°22'13", an arc length of 138.29 feet to point of compound curvature having a radius of 154.00 feet;
- 5) Along said curve, through a central angle of 50°45'30", an arc length of 136.43 feet to a point of compound curvature having a radius of 484.00 feet;
- 6) Along said curve, through a central angle of 15°30'14", an arc length of 130.97 feet to a point of reverse curvature having a radius of 316.00 feet;
- 7) Along said curve, through a central angle of 48°56'39", an arc length of 269.94 feet;
- 8) North 37°57'51" West, 187.11 feet to a point herein referred to as **POINT "A"**;
- 9) North 52°02'09" East, 74.90 feet;
- 10) North 63°39'26" East, 734.51 feet;
- 11) North 49°32'42" East, 907.33 feet to a point on said easterly line of Disposal Area 1 (2003-0489200);

Thence southerly along said easterly line, South 40°27'17" East, 483.42 feet to a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);

Thence continuing along said line, South 52°31'27" East, 244.85 feet to the **POINT OF BEGINNING**.

Containing an area of 35.215 acres, more or less.

## PARCEL 2

**COMMENCING** at the hereinabove mentioned **POINT "A"**,

Thence South 52°02'09" West, 38.00 feet to the **POINT OF BEGINNING**;

Thence the following 27 courses:

- 1) South 37°57'51" East, 187.11 feet to the beginning of a tangent curve to the right having a radius of 278.00 feet;
- 2) Along said curve, through a central angle of 48°56'39", an arc length of 237.48 feet to a point of reverse curvature having a radius of 522.00 feet;
- 3) Along said curve, through a center angle of 15°30'14", an arc length of 141.25 feet to a point of compound curvature having a radius of 192.00 feet;
- 4) Along said curve, through a central angle of 50°45'30", an arc length of 170.09 feet to a point of compound curvature having a radius of 522.00 feet;
- 5) Along said curve, through a central angle of 16°22'13", an arc length of 149.14 feet;
- 6) South 71°39'09" East, 120.24 feet to the beginning of a tangent curve to the right having a radius of 278.00 feet;
- 7) Along said curve, through a central angle of 21°24'26", an arc length of 103.87 feet;
- 8) South 50°14'43" East, 162.81 feet to the beginning of a non-tangent curve to the right having a radius of 10.00 feet, from which the center bears North 14°32'41" West;
- 9) Along said curve, through a central angle of 30°21'58", an arc length of 5.30 feet to a point of compound curvature having a radius of 717.00 feet;
- 10) Along said curve, through a central angle of 25°53'29", an arc length of 324.00 feet;
- 11) North 78°15'23" West, 202.54 feet to the beginning of a tangent curve to the right having a radius of 687.00 feet;
- 12) Along said curve, through a central angle of 16°36'18", an arc length of 199.10 feet;
- 13) North 61°39'04" West, 339.82 feet to the beginning of a tangent curve to the left having a radius of 613.00 feet;
- 14) Along said curve, through a central angle of 20°33'41", an arc length of 219.98 feet;
- 15) North 82°12'45" West, 152.36 feet to the beginning of a tangent curve to the right having a radius of 237.00 feet;
- 16) Along said curve, through a central angle of 47°18'32", an arc length of 195.69 feet;
- 17) North 55°05'48" East, 3.00 feet;
- 18) North 34°54'12" West, 340.90 feet to the beginning of a tangent curve to the right having a radius of 184.00 feet;
- 19) Along said curve, through a central angle of 29°49'18", an arc length of 95.77 feet;
- 20) North 05°04'54" West, 111.85 feet to the beginning of a tangent curve to the right having a radius of 214.00 feet;
- 21) Along said curve, through a central angle of 96°34'00", an arc length of 360.68 feet;

- 22) South 88°30'54" East, 151.10 feet to the beginning of a tangent curve to the right having a radius of 184.00 feet;
- 23) Along said curve, through a central angle of 60°11'38", an arc length of 193.31 feet;
- 24) South 28°19'16" East, 177.39 feet to the beginning of a tangent curve to the left having a radius of 216.00 feet;
- 25) Along said curve, through a central angle of 98°10'09", an arc length of 370.09 feet;
- 26) North 53°30'36" East, 135.52 feet;
- 27) South 81°55'00" East, 21.66 feet to the **POINT OF BEGINNING**.

Containing an area of 20.555 acres, more or less.

The basis of bearings for this description is based upon the California Coordinate System of 1983, CCS83, Zone 3, Epoch 2017.50, in accordance with California Public Resources Code Sections 8801-8819; said coordinates are based locally upon field-observed ties relative to California Spatial Reference Network Station p181. Distances are grid based. Divide by a combined scale factor of 0.99993778 to obtain ground distances.

**Boundaries of Proposed Improvement Area No. 3:**

The land referred to herein is situated in the City of Richmond, Contra Costa County, State of California, and is described as follows:

Being all of Disposal Areas 11 and 12, and a portion of Disposal Areas 1 and 2, as described in that certain Quitclaim Deed, recorded September 30, 2003, as Document Number 2003-0489200 (2003-0489200), Official Records of Contra Costa County, also being all of Disposal Area 3 and a portion of Disposal Area 13, as described in that certain Quitclaim Deed, recorded March 29, 2010, as Document Number 2010-0060367 (2010-0060367), Official Records of Contra Costa County, more particularly described as follows:

**COMMENCING** at the corner common to Disposal Areas 1, 6, and 7 (2003-0489200), at a found 6-inch concrete monument with brass pin as shown on the Record of Survey, filed for record February 12, 1985, in Book 76 of Licensed Land Surveyor's Maps at page 29 (76 LSM 29), Contra Coast County Records;

Thence along the easterly line of said Disposal Area 1 (2003-0489200), North 52°31'27" West, 881.77 feet to a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);

Thence continuing along said easterly line, North 40°27'17" West, 483.42 feet to the **POINT OF BEGINNING**;

Thence leaving said easterly line, the following 25 Courses:

- 1) South 49°32'42" West, 907.33 feet;
- 2) South 63°39'26" West, 734.51 feet;
- 3) South 52°02'09" West, 112.90 feet;
- 4) North 81°55'00" West, 21.66 feet;
- 5) South 53°30'36" West, 135.52 feet to the beginning of a tangent curve to the right having a radius of 216.00 feet;
- 6) Along said curve, through a central angle of 98°10'09", an arc length of 370.09 feet;
- 7) North 28°19'16" West, 177.39 feet to the beginning of a tangent curve to the left having a radius of 184.00 feet;
- 8) Along said curve, through a central angle of 60°11'38", an arc length of 193.31 feet;
- 9) North 88°30'54" West, 151.10 feet to the beginning of a tangent curve to the left having a radius of 214.00 feet;
- 10) Along said curve, through a central angle of 96°34'00", an arc length of 360.68 feet;
- 11) South 05°04'54" East, 111.85 feet to the beginning of a tangent curve to the left having a radius of 184.00 feet;
- 12) Along said curve, through a central angle of 29°49'18", an arc length of 95.77 feet;
- 13) South 34°54'12" East, 340.90 feet;
- 14) South 55°05'48" West, 3.00 feet to the beginning of a non-tangent curve to the left having a radius of 237.00 feet from which the center bears North 55°05'48" East;

- 15) Along said curve, through a central angle of 47°18'32", an arc length of 195.69 feet;
- 16) South 82°12'45" East, 152.36 feet to the beginning of a tangent curve to the right having a radius of 613.00 feet;
- 17) Along said curve, through a central angle of 20°33'41", an arc length of 219.98 feet;
- 18) South 61°39'04" East, 339.82 feet to the beginning of a tangent curve to the left having a radius of 687.00 feet;
- 19) Along said curve, through a central angle of 16°36'18", an arc length of 199.10 feet;
- 20) South 78°15'23" East, 202.54 feet to the beginning of a tangent curve to the left having a radius of 717.00 feet;
- 21) Along said curve, through a central angle of 25°53'29", an arc length of 324.00 feet to a point of compound curvature having a radius of 10.00 feet;
- 22) Along said curve, through a central angle of 30°21'58" an arc length of 5.30 feet;
- 23) South 50°14'43" East, 9.21 feet to the beginning of a tangent curve to the right having a radius of 2,378.00 feet;
- 24) Along said curve, through a central angle of 00°35'41", an arc length of 24.68 feet;
- 25) South 40°03'08" West, 221.83 feet to the Mean High-Water Line on the San Francisco Bay, as described in said Documents (2003-0489200) and (2010-0060367);

Thence along said Mean High-Water Line, the following meandered courses:

- 1) North 50°08'38" West, 55.49 feet;
- 2) North 65°40'23" West, 159.02 feet;
- 3) South 87°05'08" West, 81.89 feet;
- 4) North 88°40'35" East, 43.41 feet;
- 5) North 69°08'13" West, 41.08 feet;
- 6) North 70°31'40" West, 130.72 feet;
- 7) North 63°38'53" West, 63.02 feet;
- 8) North 65°08'48" West, 394.97 feet;
- 9) North 65°45'40" West, 239.27 feet;
- 10) North 89°37'59" West, 251.39 feet;
- 11) South 43°41'43" West, 176.37 feet;
- 12) South 37°41'46" West, 89.58 feet;
- 13) South 74°10'57" West, 84.01 feet;
- 14) North 69°51'46" West, 114.32 feet;
- 15) South 82°04'52" West, 150.24 feet;
- 16) North 80°48'14" West, 89.92 feet;
- 17) North 55°02'10" West, 72.77 feet;
- 18) North 37°14'14" West, 75.87 feet;
- 19) North 40°46'35" West, 92.69 feet;
- 20) North 23°46'35" West, 141.02 feet;
- 21) North 14°13'25" East, 112.55 feet;
- 22) North 12°54'43" West, 120.25 feet;
- 23) North 20°19'07" East, 184.59 feet;
- 24) North 31°36'12" East, 56.23 feet;
- 25) North 76°07'01" East, 74.51 feet;
- 26) North 36°37'57" East, 423.76 feet;



- 27) North 48°37'33" East, 202.39 feet;
- 28) North 28°47'25" East, 184.87 feet;
- 29) North 37°00'56" East, 110.11 feet;
- 30) South 78°46'11" East, 44.55 feet;
- 31) South 09°20'11" East, 73.63 feet;
- 32) North 42°49'56" East, 247.64 feet;
- 33) North 41°28'20" East, 125.88 feet;
- 34) North 28°14'49" East, 152.33 feet;
- 35) North 11°26' 02" East, 185.60 feet;
- 36) North 06°29'48" West, 193.39 feet;
- 37) North 15°39'08" West, 190.81 feet;
- 38) North 43°11'00" West, 50.36 feet;
- 39) South 67°31'03" West, 34.66 feet;
- 40) North 31°52'36" West, 111.69 feet;
- 41) South 74°18'01" West, 165.85 feet;
- 42) North 27°56'02" West, 140.61 feet;
- 43) North 29°31'13" East, 7.90 feet;

Thence leaving said mean high water line, easterly along the northerly line of said Disposal Areas 1, 2, and 12 (2003-048200), the following 7 courses:

- 1) North 71°12'58" East, 37.51 feet to a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);
- 2) North 33°13'32" East, 192.59 feet to a found 6-inch concrete monument with brass pin as shown on the said Record of Survey (76 LSM 29);
- 3) North 71°40'49" East, 104.55 feet;
- 4) North 46°25'17" East, 91.49 feet;
- 5) South 43°32'17" East, 172.14 feet;
- 6) North 71°22'13" East, 440.41 feet to a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);
- 7) North 29°53'00" East, 471.52 feet to the most northerly corner, monumented by a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);

Thence South 40°27'17" East, 1,900.32 feet to the **POINT OF BEGINNING**.

Containing an area of 92.221 acres, more or less.

The basis of bearings for this description is based upon the California Coordinate System of 1983, CCS83, Zone 3, Epoch 2017.50, in accordance with California Public Resources Code Sections 8801-8819; said coordinates are based locally upon field-observed ties relative to California Spatial Reference Network Station p181. Distances are grid based. Divide by a combined scale factor of 0.99993778 to obtain ground distances.

## EXHIBIT B

### DESCRIPTION OF THE FACILITIES, SERVICES AND INCIDENTAL EXPENSES

#### TYPES OF FACILITIES

CFD No. 2022-1, on behalf of itself and each improvement area thereof, is hereby authorized to finance the costs of the purchase, construction, expansion, improvement, or rehabilitation of facilities permitted under the Mello-Roos Act from the proceeds of special taxes and bonds issued by CFD No. 2022-1, including, without limitation:

#### CITY FACILITIES

The types of City Facilities that are proposed to be financed by CFD No. 2022-1 with the proceeds of special taxes and bonds issued by CFD No. 2022-1 consist of backbone infrastructure needed for new and existing development (both within the project limits as well as offsite improvements), such as roadway, bridge, sewer, dry utilities, storm drain, sea wall, street and parkway landscaping, curb and gutter, medians, median landscaping, traffic signals, entry signage, parks, trails, police facilities, fire facilities, and appurtenances and appurtenant work.

The description of City Facilities is general in nature. The final nature and location of the City Facilities will be determined upon preparation of final plans and specifications. Addition, deletion or modification of descriptions of the City Facilities may be made consistent with the requirements of the City Council of the City, CFD No. 2022-1 and the Act.

#### EAST BAY MUNICIPAL UTILITIES DISTRICT ("EBMUD") FACILITIES

The proposed EBMUD Facilities include the construction, purchase, modification, expansion, improvement and/or rehabilitation of public facilities to be owned and operated by EBMUD including, without limitation, water system facilities and acquisition of water system capacity.

The EBMUD Facilities listed herein are representative of the types of facilities authorized to be financed by CFD No. 2022-1. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the EBMUD. Addition, deletion or modification of descriptions of the EBMUD Facilities may be made consistent with the requirements of the governing board of the EBMUD, CFD No. 2022-1 and the Act. The Facilities are necessary for CFD No. 2022-1 (and each improvement area thereof) and are generally intended to comply with the requirements of the City.

The description of Facilities is general in nature. The final nature and location of the Facilities will be determined upon preparation of final plans and specifications.

Any Facility authorized to be financed by CFD No. 2022-1 may be financed through the construction and acquisition of the Facility or through the payment of fees for such Facility.

The Facilities constructed or acquired may be located within or outside CFD No. 2022-1.

The Facilities to be financed shall include all hard and soft costs associated with the Facilities, including the costs of the acquisition of land and rights-of-way, the costs of design,

engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to 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 as may be further defined in one or more acquisition agreements with the developer of the property in CFD No. 2022-1.

#### TYPES OF SERVICES

The types of Services that are proposed to be provided by CFD No. 2022-1 and funded with the proceeds of special taxes levied by CFD No. 2022-1 consist of services permitted to be financed under the Mello-Roos Community Facilities Act of 1982 including, without limitation, police and fire protection, ambulance and paramedic services, street sweeping, traffic signal maintenance and the maintenance of City-owned parks, parkways and open spaces, lighting, flood and storm protection services and the operation of storm drainage systems. All of the services to be financed must be in addition to those provided within the boundaries of CFD No. 2022-1 before CFD No. 2022-1 is created, and shall not supplant services already available within that territory when CFD No. 2022-1 is created.

#### TYPES OF INCIDENTAL EXPENSES

The Incidental Expenses to be paid from bond proceeds and/or special taxes include:

All costs associated with the creation of CFD No. 2022-1, the issuance of the Obligations, the determination of the amount of special taxes to be levied, costs incurred in order to carry out the authorized purposes of CFD No. 2022-1, including legal fees, fees of consultants, engineering, planning, designing and the annual costs to administer CFD No. 2022-1 and any Obligations.

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR  
THE CITY OF RICHMOND  
COMMUNITY FACILITIES DISTRICT NO. 2022-1  
(POINT MOLATE)  
IMPROVEMENT AREA NO. 1

# Rate and Method of Apportionment of Special Tax

## City of Richmond Community Facilities District No. 2022-1 (Point Molate) Improvement Area No. 1

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A Special Tax A and a Special Tax B shall be levied on all Taxable Property within the boundaries of Improvement Area No. 1 of the City of Richmond Community Facilities District No. 2022-1 (Point Molate) (“CFD No. 2022-1 IA 1”) and collected each Fiscal Year commencing in Fiscal Year 2022-23, in an amount determined by the CFD Administrator through the application of the procedures described below. All the real property within CFD No. 2022-1 IA 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.

### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**“Acquisition Agreement”** means that Acquisition Agreement relating to CFD No. 2022-1 (and all improvement areas designated therein) by and between the City and the Developer.

**“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 an Assessor’s Parcel Map, the land area shown on the applicable Final Map. An Acre means 43,560 square feet of land.

**“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 actual or reasonably estimated costs related to the administration of CFD No. 2022-1 IA 1 including, but not limited to: the costs of preparing and computing the Special Taxes (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2022-1 IA1, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 2022-1 IA 1, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 2022-1 IA 1, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 2022-1 IA 1, or any designee thereof related to an appeal of the Special Taxes; 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. 2022-1 IA 1 for any other administrative purposes of CFD No. 2022-1 IA 1, including attorney's fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

**"Approved Property"** means all Assessor's Parcels of Taxable Property exclusive of Provisional Property: (i) that are included in a Final Map that was recorded prior to the January 1st preceding the Fiscal Year in which the Special Taxes are being levied, and (ii) that have not been issued a Building Permit on or prior to the May 1st preceding the Fiscal Year in which the Special Taxes are being levied.

**"Assessor"** means the Assessor of the County of Contra Costa.

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

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

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

**"Assigned Special Tax A"** means the Special Tax of that name described in Section C.1 below.

**"Authorized Facilities"** means those facilities and capital fees that are authorized to be financed by CFD No. 2022-1 IA 1.

**"Backup Special Tax A"** means the Special Tax of that name described in Section C.2 below.

**"Base Year"** means the Fiscal Year beginning July 1, 2022 and ending June 30, 2023.

**"Bonds"** means any bonds or other Debt of CFD No. 2022-1 IA 1, whether in one or more series, secured by the levy of Special Taxes.

**"Boundary Map"** means the map of the boundaries of CFD No. 2022-1 IA 1 recorded in the Contra Costa County Recorder's Office.

**"Building Permit"** means a building permit for construction of a Residential Unit or Non-Residential Property within CFD No. 2022-1 IA 1 issued by the City.

**"Building Square Footage"** means all of the square footage of usable area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by reference to the Building Permit(s) issued for such structure and/or by reference to appropriate records kept by the City.

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

**"CFD Administrator"** means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement for Facilities and the Special Tax Requirement for Services, for preparing the Special Tax roll and/or calculating the Backup Special Tax A.

**“CFD No. 2022-1”** means the City of Richmond Community Facilities District No. 2022-1 (Point Molate).

**“CFD No. 2022-1 IA 1”** means Improvement Area No. 1 of the City of Richmond Community Facilities District No. 2022-1 (Point Molate).

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

**“Consumer Price Index”** means the Consumer Price Index for All Urban Consumers published by the U.S. Bureau of Labor Statistics for the San Francisco-Oakland-Hayward, CA area in the December preceding the 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 original index.

**“Council”** means the City Council of the City acting as the legislative body of CFD No. 2022-1 IA 1 under the Act.

**“County”** means the County of Contra Costa, California.

**“Debt”** means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts.

**“Debt Service”** means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1st of such Fiscal Year.

**“Developed Property”** means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to May 1st of the previous Fiscal Year. An Assessor’s Parcel classified as Developed Property but for which the Building Permit that caused such Assessor’s Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as Approved Property, provided that the levy of the Special Taxes on such Assessor’s Parcel after such reclassification does not cause the total Special Tax A authorized to be collected within CFD No. 2022-1 IA 1 to be less than 1.1 times the annual Debt Service plus Administrative Expenses, on all Outstanding Bonds for any future Fiscal Year. If Bonds have not been issued, an Assessor’s Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Approved Property.

**“Developer”** means Winehaven Legacy LLC and its successors, if any, acting as the developer of the property in CFD No. 2022-1 IA 1.

**“Exempt Property”** means for each Fiscal Year, all Assessor’s Parcels designated as being exempt from Special Taxes pursuant to Section I below.

**“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 or units for which Building Permits may be issued without further subdivision.

**“Fiscal Deficit”** means, for any Fiscal Year, the amount determined by the City’s designated consultant to be the actual negative fiscal impact to the City’s general fund that the project associated with CFD No. 2022-1 when applying the methodology detailed in the Peer Review of Winehaven Prepared Fiscal Impact Analysis for Proposed Point Molate Mixed-Use Development Project prepared by Bay Area Economics in June 2020 for the City and using the actual sales data as of August 1 of such Fiscal Year. If the actual sales data for Assessor’s Parcels within CFD No. 2022-1 IA 1 is not available at the time the report is prepared, assessed values on the latest secured roll prepared by the County will be used.

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

**“For-Rent Affordable Residential Property”** means Residential Property consisting of Residential Units that are available for rental by moderate-, low-, very low- or extremely low-income persons, not for sale to an end user, under common management, and subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing for affordable housing.

**“For-Rent Low-Rise Apartment/Townhome Property”** means Residential Property consisting of a building or buildings of 2 to 3 stories which consist of either stacked multi-family buildings or adjoined multi-story houses that are similar to each other available for rental by the general public, not for sale to an end user, and under common management.

**“For-Rent Mid-Rise Apartment Property”** means Residential Property that consists of a multi-family building or buildings on a single or conjoined multiple parcels where there are typically 3 to 7 stories of housing available for rental by the general public, not for sale to an end user, and under common management.

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

**“Land Use Class”** means any of the classes listed in Table 1 under Section C below.

**“Lot”** means an Assessor’s Parcel created by a Final Map on which one or more Residential Units can be constructed.

**“Low-Rise Apartment/Townhome Property”** means Residential Property consisting of a building or buildings of 2 to 3 stories which consist of either stacked multi-family buildings or adjoined multi-story houses that are similar to each other and offered for sale to the public.

**“Maximum Special Tax A”** means for each Assessor’s Parcel, the Maximum Special Tax A, determined in accordance with Sections C.3 and C.4 below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax B”** means for each Assessor’s Parcel, the maximum Special Tax B, determined in accordance with Section C.1 and C.4 below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.



**“Mid-Rise Condominium Property”** means Residential Property that consists of a building or complex of buildings containing a number of individually owned apartments in buildings 3 to 7 stories that are for-sale but share common spaces, amenities, parking areas, utility and maintenance areas, and the property’s grounds.

**“Mixed-Use Non-Residential Property”** means Non-Residential Property that resides within a shared building or complex of buildings which provide more than one use or purpose on the same lot and may include any combination of office, retail, institutional, recreational, other commercial or industrial uses.

**“Neighborhood Retail Property”** means Non-Residential Property not classified as Mixed-Use Non-Residential Property.

**“Non-Residential Property”** means all Assessor’s Parcels for which a building permit has been issued prior to May 1st of the previous Fiscal Year for the purpose of constructing one or more non-residential units or facilities.

**“Outstanding Bonds”** means all Bonds, which are deemed to be outstanding under the Indenture.

**“Prepayment Amount”** means the amount required to prepay the Special Tax A Obligation in full for an Assessor’s Parcel as described in Section 6.A below.

**“Property Owner Association Property”** means any Assessor’s Parcel within the boundaries of CFD No. 2022-1 IA 1 owned in fee by a property owner association, including any master or sub-association.

**“Proportionately”** or **“Proportionate”** means for Developed Property and Special Tax A, that the ratio of the actual Special Tax A levy to the applicable Assigned Special Tax A, Maximum Special Tax A is equal for all Assessor’s Parcels of Developed Property. For Developed Property and Special Tax B, that the ratio of the actual Special Tax B levy to the Maximum Special Tax B is equal for all Assessor’s Parcels of Developed Property. For Approved Property, Undeveloped Property, or Provisional Property and Special Tax A, “Proportionately” means that the ratio of the actual Special Tax A levy per Acre to the Maximum Special Tax A per Acre is equal for all Assessor’s Parcels of Approved Property, Undeveloped Property or Provisional Property. For Approved Property, Undeveloped Property, or Provisional Property and Special Tax B, “Proportionately” means that the ratio of the actual Special Tax B levy per Acre to the Maximum Special Tax B per Acre is equal for all Assessor’s Parcels of Approved Property, Undeveloped Property, or Provisional Property. “Proportionately” may similarly be applied to other categories of Taxable Property as listed in Section C below.

**“Provisional Property”** means all Assessor’s Parcels of Public Property, Property Owner Association Property, Non-Residential Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section I but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage as set forth in Section I.

**“Public Property”** means any property within the boundaries of CFD No. 2022-1 IA 1, which is owned by, or irrevocably offered for dedication to the federal government, the State of

California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment of Special Tax applicable to the property shown on the Boundary Map of CFD No. 2022-1 IA 1.

**“Remainder Taxes”** means the amount of the annual Special Tax A levy that is not needed to pay for items (i), (ii), (iii), (iv), and (vi) of the definition of the Special Tax Requirement for Facilities.

**“Remainder Taxes Priority”** means that the Remainder Taxes shall be applied as follows and in the following order of priority: (i) to the reimbursement of, or payment to, the Developer for Authorized Facilities in a cumulative amount of \$15,000,000, as set forth in the Acquisition Agreement; and (ii) to the financing of Authorized Facilities not included in subsection (i).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more Residential Units.

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

**“Single Family Residential Property”** means Residential Property not classified as For-Rent Affordable Property, For-Rent Low-Rise Apartment/Townhome Property, For-Rent Mid-Rise Apartment Property, Low-Rise Apartment/Townhome Property or Mid-Rise Condominium Property.

**“Special Tax”** or **“Special Taxes”** means any special tax levied within CFD No. 2022-1 IA 1 pursuant to the Act and this Rate and Method of Apportionment.

**“Special Tax A”** means the special tax to be levied each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2022-1 IA 1 to fund the Special Tax Requirement for Facilities.

**“Special Tax A Obligation”** means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of CFD No. 2022-1 IA 1.

**“Special Tax B”** means the special tax to be levied each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2022-1 IA 1 to fund the Special Tax Requirement for Services.

**“Special Tax Requirement for Facilities”** means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay a proportionate share of Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds provided that such amounts have not been included in a prior Fiscal Year’s levy; (v) accumulate funds to pay directly for acquisition or construction of Authorized Facilities, provided that the inclusion of such amount does not cause an increase in the Special Tax A to be levied on Approved Property, Undeveloped Property, or Provisional Property; and (vi) pay for reasonably anticipated Special Tax A delinquencies based on the delinquency rate for Special Taxes levied

in the previous Fiscal Year on property in CFD No. 2022-1 IA 1; less (vii) a credit for funds available to reduce the Special Tax A levy, as determined by the CFD Administrator pursuant to the Indenture.

**“Special Tax Requirement for Services”** means that amount required in any Fiscal Year to: (i) pay directly for services in the Calendar Year commencing in such Fiscal Year provided that the amount does not result in a Special Tax B levy on Approved Property and Undeveloped Property that exceeds the Fiscal Deficit for such Fiscal Year; (ii) pay a proportionate share of Administrative Expenses; (iii) pay for reasonably anticipated Special Tax B delinquencies based on the delinquency rate for Special Tax B levied in the previous Fiscal Year on property in CFD No. 2022-1 IA 1; less (iv) a credit for funds available to reduce the Special Tax B levy, as determined by the CFD Administrator.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 2022-1 IA 1, which are not exempt from the levy of the Special Taxes pursuant to law or Section I below.

**“Trustee”** means the trustee or fiscal agent under the Indenture.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Approved Property or Provisional Property.

## **B. LAND USE CLASSIFICATION**

Each Fiscal Year, beginning with Fiscal Year 2022-23, each Assessor’s Parcel within CFD No. 2022-1 IA 1 shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Approved Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below. Furthermore, each Assessor’s Parcel of Developed Property shall be assigned to a Land Use Class and land use type based on its Building Square Footage, as applicable.

## C. SPECIAL TAX RATES

### 1. Assigned Special Tax A and Maximum Special Tax B for Developed Property

The Assigned Special Tax A and Maximum Special Tax B applicable to an Assessor's Parcel classified as Developed Property for the Base Year shall be determined pursuant to Table 1 below.

**Table 1**  
**Base Year Assigned Special Tax A and Maximum Special Tax B**  
**(Fiscal Year 2022-23)**

Land Use Class	Land Use Type	Assigned Special Tax A	Maximum Special Tax B
1	Single Family Residential Property	\$8,841 per Residential Unit	\$1,100 per Residential Unit
2	Low-Rise Apartment/Townhome Property	\$6,364 per Residential Unit	\$770 per Residential Unit
3	Mid-Rise Condominium Property	\$6,771 per Residential Unit	\$660 per Residential Unit
4	For-Rent Low-Rise Apartment/Townhome Property	\$1,048 per Residential Unit	\$550 per Residential Unit
5	For-Rent Mid-Rise Apartment Property	\$1,497 per Residential Unit	\$440 per Residential Unit
6	For-Rent Affordable Residential Property	\$1,248 per Residential Unit	\$330 per Residential Unit
7	Mixed-Use Non-Residential Property	\$1.00 per Square Foot	\$1.00 per Square Foot
8	Neighborhood Retail Property	\$1.00 per Square Foot	\$0.63 per Square Foot

For each subsequent Fiscal Year following the Base Year, the Assigned Special Tax A in Table 1 above shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year, and the Maximum Special Tax B in Table 1 above shall be increased by the percent change in the Consumer Price Index since the prior Fiscal Year but not less than two percent (2%) or greater than six percent (6%).

## 2. Backup Special Tax A for Developed Property

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Special Tax A. The Backup Special Tax A for High-Density Residential Property shall be equal to the Assigned Special Tax A. The Backup Special Tax A for an Assessor's Parcel of Developed Property, not classified as High-Density Residential Property, within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2022-23 or such later Fiscal Year in which such Final Map is created, subject to increases as described below.

### (a) Calculation of the Backup Special Tax A

$$B = \frac{U \times A}{L}$$

The terms above have the following meanings:

- B** = Backup Special Tax A per Lot for the applicable Final Map
- U** = Assigned Special Tax A per Acre of Approved Property or Undeveloped Property for the Fiscal Year the calculation is performed
- A** = Acreage of Taxable Property expected to exist within such Final Map at the time of calculation, as determined by the CFD Administrator
- L** = Number of Lots within the applicable Final Map at the time of calculation

Notwithstanding the foregoing, the Backup Special Tax A for a parcel of Developed Property for which a Certificate of Occupancy has been provided may not be changed.

### (b) Changes to a Final Map

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Special Tax A for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- (i) Determine the total Backup Special Tax A revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- (ii) The result of paragraph (a) above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- (iii) The result of paragraph b above shall be divided by 43,560. The result is the Backup Special Tax A per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

### (c) Increase in the Backup Special Tax A

Each July 1, commencing the July 1 following the initial calculation of the Backup Special Tax A for Developed Property within a Final Map, the Backup Special Tax A for each Lot within such Final Map shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

### 3. Maximum Special Tax A for Developed Property

The Maximum Special Tax A for Developed Property shall be the greater of the Assigned Special Tax A for Developed Property or the Backup Special Tax A for Developed Property.

### 4. Maximum Special Tax A and Maximum Special Tax B for Provisional Property, Approved Property and Undeveloped Property

The Base Year Maximum Special Tax A for Provisional Property, Approved Property and Undeveloped Property shall be \$147,073 per Acre.

The Base Year Maximum Special Tax B for Approved Property and Undeveloped Property shall be \$121,815 per Acre. In the first Fiscal Year in which the Fiscal Deficit has been determined to be less than or equal to zero, the Base Year Maximum Special Tax B for Approved Property and Undeveloped Property shall be \$0 per Acre in that Fiscal Year and each Fiscal Year thereafter.

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax A rate for Provisional Property, Approved Property and Undeveloped Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year, and the Maximum Special Tax B for Provisional Property, Approved Property and Undeveloped Property shall be increased by the percent change in the Consumer Price Index since the prior Fiscal Year but not less than two percent (2%) or greater than six percent (6%).

## D. METHOD OF APPORTIONMENT

### 1. Special Tax A

For each Fiscal Year, commencing Fiscal Year 2022-23, the CFD Administrator shall levy the Special Tax A on all Taxable Property in accordance with the following steps:

**Step 1:** (a) Through Fiscal Year 2071-72, the Special Tax A shall be levied at the applicable Assigned Special Tax A on each Assessor's Parcel of Developed Property. Any Remainder Taxes shall be applied as set forth in the Remainder Taxes Priority.

(b) After Fiscal Year 2071-72, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax A until the Special Tax Requirement for Facilities is met.

**Step 2:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after Step 1 has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Approved Property in an amount up to 100% of the Maximum Special Tax A for Approved Property.

**Step 3:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, the Special Tax A shall be levied

Proportionately on each Assessor's Parcel of Undeveloped Property in an amount up to 100% of the Maximum Special Tax A for Undeveloped Property.

**Step 4:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Special Tax A amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax A for Developed Property.

**Step 5:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Provisional Property in an amount up to 100% of the Maximum Special Tax A for Provisional Property.

In the event Building Permits have been issued prior to May 1st of the previous Fiscal Year for one or more Residential Units on a single Assessor's Parcel, causing such Assessor's Parcels to be classified as Developed Property, and the County has not yet assigned final Assessor's Parcel Number(s) to such Residential Unit(s) in accordance with the Final Map applicable to such Assessor's Parcel, the amount of the Special Tax A levy on such Assessor's Parcel shall be determined as follows: (1) the CFD Administrator shall first determine an amount of the Maximum Special Tax A for such Assessor's Parcel, based on the classification of such Assessor's Parcel as Approved Property or Undeveloped Property; (2) the CFD Administrator shall then determine the amount of the Special Tax A levy for the Residential Units on such Assessor's Parcel for which Building Permits have been issued shall be determined based on the Developed Property Assigned Special Tax A rates, and such amount shall be levied as Developed Property in accordance with Step 1 above; and (3) the amount of the Special Tax A on the Taxable Property in such Assessor's Parcel not subject to the Special Tax A levy in clause (2) shall be equal to: (A) the percentage of the Maximum Special Tax A rate levied on all other Approved Property or Undeveloped Property pursuant to Step 2 or 3 above, as applicable, multiplied by the total of the amount determined in clause (1), less (B) the amount determined in clause (2) of this paragraph.

Notwithstanding the above, under no circumstances will the Special Tax A levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax A applicable to any other Assessor's Parcel within CFD No. 2022-1 IA1 by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

## **2. Special Tax B**

For each Fiscal Year, commencing Fiscal Year 2022-23, the CFD Administrator shall levy the Special Tax A on all Taxable Property in accordance with the following steps:

**Step 1:** The Special Tax B shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax B.

**Step 2:** If additional monies are needed to satisfy the Special Tax Requirement for Services after Step 1 has been completed, the Special Tax B shall be levied

Proportionately on each Assessor's Parcel of Approved Property in an amount up to 100% of the Maximum Special Tax B for Approved Property.

**Step 3:** If additional monies are needed to satisfy the Special Tax Requirement for Services after the first two steps have been completed, the Special Tax B shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in an amount up to 100% of the Maximum Special Tax B for Undeveloped Property.

In the event Building Permits have been issued prior to May 1st of the previous Fiscal Year for one or more Residential Units on a single Assessor's Parcel, causing such Assessor's Parcels to be classified as Developed Property, and the County has not yet assigned final Assessor's Parcel Number(s) to such Residential Unit(s) in accordance with the Final Map applicable to such Assessor's Parcel, the amount of the Special Tax B levy on such Assessor's Parcel shall be determined as follows: (1) the CFD Administrator shall first determine an amount of the Maximum Special Tax B for such Assessor's Parcel, based on the classification of such Assessor's Parcel as Approved Property or Undeveloped Property; (2) the CFD Administrator shall then determine the amount of the Special Tax B levy for the Residential Units on such Assessor's Parcel for which Building Permits have been issued shall be determined based on the Developed Property Assigned Special Tax B rates, and such amount shall be levied as Developed Property in accordance with Step 1 above; and (3) the amount of the Special Tax B on the Taxable Property in such Assessor's Parcel not subject to the Special Tax B levy in clause (2) shall be equal to: (A) the percentage of the Maximum Special Tax B rate levied on all other Approved Property or Undeveloped Property pursuant to Step 2 or 3 above, as applicable, multiplied by the total of the amount determined in clause (1), less (B) the amount determined in clause (2) of this paragraph.

## **E. COLLECTION OF SPECIAL TAXES**

Collection of the Special Taxes shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Special Taxes shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the Council may provide for (i) other means of collecting the Special Taxes, including direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Special Taxes.

## **F. PREPAYMENT OF SPECIAL TAX A OBLIGATION**

The following definition applies to this Section F:

**"CFD Public Facilities Costs"** means \$31 million or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the Authorized Facilities to be financed under the Act and financing program for CFD No. 2022-1 IA 1, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds) in CFD No. 2022-1 IA 1.



**“Construction Fund”** means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the Authorized Facilities.

**“Future Facilities Costs”** means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund or from Special Tax A to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund or other fund holding Special Tax A that is available to finance the CFD Public Facilities Costs, and (iii) monies currently on deposit in an escrow or other designated fund of CFD No. 2022-1 IA 1 that are expected to be available to finance CFD Public Facilities Costs. The amount of Future Facilities Costs may not be less than \$0.

**“Outstanding Bonds”** means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax A prepayments.

**“Previously Issued Bonds”** means all Bonds that have been issued prior to the date of prepayment.

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

Property owners may prepay and permanently satisfy the Special Tax A Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The Special Tax B obligation may not be prepaid.

The Special Tax A Obligation applicable to an Assessor’s Parcel of Developed Property, Approved Property, or Undeveloped Property that has been included in a Final Map may be 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 with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel eligible to prepay the Special Tax A Obligation shall provide the CFD Administrator with written notice of intent to prepay and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor’s Parcel within thirty (30) days of the request and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for Outstanding Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Trustee and the City.

The Prepayment Amount shall be calculated for each applicable Assessor’s Parcel or group of Assessor’s Parcels 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
<u>less</u>	<u>Capitalized Interest Credit</u>
Equals:	Prepayment Amount

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

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.
2. For Assessor’s Parcel of Developed Property, compute the Maximum Special Tax A for the Assessor’s Parcel as though all Assessor’s Parcels of Taxable Property within CFD No. 2022-1 IA 1 have been built out. 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, 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 estimated total amount of Special Tax A that could be levied at build out of all Assessor’s Parcels of Taxable Property based on the applicable Maximum Special Tax A for all such Assessor’s Parcels of Taxable Property not including any Parcels for which the Special Tax A Obligation has been previously prepaid.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the “Bond Redemption Amount”).
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the “Redemption Premium”).
6. Determine the Future Facilities Costs.
7. Multiply the quotient derived pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to determine the portion of the Future Facilities Costs applicable to the 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 A prepayments.

9. Determine the Special Tax A amount 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 associated with the prepayment, including the cost to invest the Prepayment Amount, the cost of redeeming the Outstanding Bonds, and the cost of recording notices to evidence the prepayment of the Special Tax A Obligation for the 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. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

15. The amount to prepay the Special Tax A Obligation 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 and the Capitalized Interest Credit.

16. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make Debt Service payments. The Future Facilities Amount shall be deposited into the Construction Fund. The Administrative Fees and Expenses shall be retained by CFD No. 2022-1 IA 1.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of Outstanding Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to redeem Outstanding Bonds to be used with the next prepayment of Outstanding Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax A Obligation is prepaid

in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax A and the release of the Special Tax A lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay the Special Tax A shall cease.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

## 2. Partial Prepayment

The Special Tax on an Assessor's Parcel of Developed Property, Approved Property, or Undeveloped Property may be partially prepaid. The amount of the prepayment shall be calculated as in Section F.1; except that a "Partial Prepayment Amount" shall be calculated according to the following formula:

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

The terms above have the following meanings:

**PP** = The Partial Prepayment Amount

**PE** = The Prepayment Amount calculated according to Section F.1

**F** = The percentage of the Special Tax A Obligation that the owner of the Assessor's Parcel(s) is partially prepaying

**A** = The Prepayment Administrative Fees and Expenses from Section F.1

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax A Obligation, (ii) the percentage by which the Special Tax A Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax A Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section F.1, and (ii) indicate in the records of CFD No. 2022-1 IA1 that there has been a partial prepayment of the Special Tax A Obligation and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the Maximum Special Tax A, shall continue to be levied on such Assessor's Parcel.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

The Special Tax B may not be prepaid.

## G. SPECIAL TAX REDUCTION

The following definitions apply to this Section G:

**“Base Price”** means, with respect to the Residential Units in each Plan Type as of the date of the applicable Price Point Study, the base price of such Residential Units as estimated by the Price Point Consultant, excluding potential appreciation, premiums, options, or upgrades, based upon their actual or expected characteristics, such as living area, view, or lot size.

**“Plan Type”** means a discrete residential plan type, generally consisting of Residential Units that share a common product type (e.g. detached, attached or cluster) and that have nearly identical amounts of living area, that is constructed or expected to be constructed within CFD No. 2022-1 IA 1, as identified in the Price Point Study.

**“Price Point Consultant”** means any consultant or firm of such consultants selected by CFD No. 2022-1 IA 1 that (a) has substantial experience in performing price point studies or otherwise estimating or confirming pricing for Residential Units within community facilities districts; (b) is well-versed in analyzing economic and real estate data that relate to the pricing of Residential Units in community facilities districts; (c) is independent and not under the control of CFD No. 2022-1 IA 1, the City, or the developer; (d) does not have any substantial interest, direct or indirect, with or in CFD No. 2022-1 IA 1, the City, any owner of real property within CFD No. 2022-1 IA 1, or any real property in CFD No. 2022-1 IA 1; and (e) is not connected with CFD No. 2022-1 IA 1 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2022-1 IA 1 or the City.

**“Price Point Study”** means a price point study or a letter updating a previous price point study which (a) has been prepared by the Price Point Consultant; (b) sets forth the Plan Types constructed or expected to be constructed within CFD No. 2022-1 IA 1; (c) sets forth the estimated number of constructed and expected Residential Units for each Plan Type; (d) sets forth estimates of the Base Price for each Plan Type; and (e) uses a date for estimating such Base Prices that is no earlier than 30 days prior to the date the Price Point Study is delivered to the CFD Administrator, pursuant to this Section G.

**“Total Effective Tax Rate”** means, for a Plan Type, the Total Tax Burden for such Plan Type divided by the Base Price for such Plan Type, converted to a percentage.

**“Total Effective Tax Rate Limit”** means 2.00%.

**“Total Tax Burden”** means, with respect to a Plan Type, for the Fiscal Year for which the calculation is being performed, the sum of the Assigned Special Tax, estimated *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges levied or imposed on Residential Units of such Plan Type in CFD No. 2022-1 IA 1 in such Fiscal Year or that would have been levied or imposed on all such Residential Units had they been subject to such levies (excluding homeowners’ association dues and Property Assessed Clean Energy (PACE) charges imposed pursuant to AB 811 or SB 555).

Prior to the issuance of the first series of Bonds for CFD No. 2022-1 IA 1, the following steps shall be taken for each Land Use Class of for-sale Residential Property in CFD No. 2022-1 IA 1 for evaluating the Special Tax A:

1. At least 30 days prior to the issuance of the first series of Bonds for CFD No. 2022-1 IA 1, a Price Point Study shall be completed and delivered to the CFD Administrator.
2. The CFD Administrator shall determine the Total Tax Burden and Total Effective Tax Rate for each Plan Type in CFD No. 2022-1 IA 1.
3. Separately, for each Land Use Class of for-sale Residential Property in CFD No. 2022-1 IA 1, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to the Total Effective Tax Rate Limit.
  - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to the Total Effective Tax Rate Limit, then there shall be no change in Special Tax A rate for such Land Use Class in CFD No. 2022-1 IA 1.
  - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class is greater than the Total Effective Tax Rate Limit, the CFD Administrator shall calculate a revised Assigned Special Tax A rate that does not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed the Total Effective Tax Rate Limit and assign the revised Assigned Special Tax A rate to the Land Use Class.
4. If the Assigned Special Tax A for any Land Use Class is revised pursuant to Step 3b above, the CFD Administrator shall calculate a revised Backup Special Tax A rate for each applicable Final Map within CFD No. 2022-1 IA 1. The revised Backup Special Tax A for each applicable Final Map shall be an amount (rounded to the nearest whole dollar) calculated pursuant to the formula below:

$$\mathbf{RBST} = \mathbf{BST} \times \left( 1 + \frac{\mathbf{RAST} - \mathbf{AST}}{\mathbf{AST}} \right)$$

The terms above have the following meanings:

**RBST** = Revised Backup Special Tax A

**BST** = The Backup Special Tax A for the Final Map, as set forth in Section C.2.

**RAST** = The total estimated Assigned Special Tax A levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD No. 2022-1 IA 1, including any reduced Assigned Special Tax A amounts resulting from the calculations in Step 3b above.

**AST** = The total estimated Assigned Special Tax A levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD NO. 2022-1 IA 1 based on the Assigned Special Tax A rates in effect prior to the reduction, pursuant to steps 3a and 3b.

5. If the Assigned Special Tax A for any Land Use Class is revised pursuant to Step 3b above, the CFD Administrator shall also prepare and execute a Certificate to Amend the Special Tax substantially in the form of Exhibit "A" hereto and shall deliver such Certificate to

Amend the Special Tax for CFD No. 2022-1 IA 1. The Certificate to Amend the Special Tax shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax A for a Land Use Class as calculated pursuant to step 3b, or (ii) the Assigned Special Tax A as identified in Table 1 of Section C for a Land Use Class that was not revised as determined pursuant to step 3a; as well as either (i) the revised Backup Special Tax A as calculated pursuant to Step 4, or (ii) the Backup Special Tax A as identified in Section C.2 that was not revised as determined pursuant to step 4 above.

6. If the anticipated date of issuance for the first series of Bonds is within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 2022-1 IA 1 shall execute the acknowledgement on such Certificate to Amend the Special Tax dated as of the closing date of such Bonds, and upon the closing of such first series of Bonds, the Assigned Special Tax A for each Land Use Class and the Backup Special Tax shall be as set forth in such Certificate to Amend the Special Tax. If the date of issuance of the first series of Bonds is not within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate to Amend the Special Tax shall not be acknowledged by CFD No. 2022-1 IA 1 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently a first series of Bonds is expected to be issued, at least 30 days prior to that expected date, steps 1 through 5 of this section shall be performed based on a new Price Point Study.
7. After the execution by CFD No. 2022-1 IA 1 of the acknowledgment on the Certificate to Amend the Special Tax, CFD No. 2022-1 IA 1 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for CFD No. 2022-1 IA 1 reflecting the Assigned Special Tax A and the Backup Special Tax A for CFD No. 2022-1 IA 1 set forth in such Certificate to Amend the Special Tax.
8. If the Assigned Special Tax A is not required to be changed for any Land Use Class based on the calculations performed under Step 3 above, there shall be no reduction in the Assigned Special Tax A or Backup Special Tax A, and no Certificate to Amend the Special Tax shall be required.

## **H. TERM OF SPECIAL TAX**

The Special Tax A shall be levied as long as necessary to meet the Special Tax Requirement for Facilities for a period not to exceed sixty (60) Fiscal Years commencing with Fiscal Year 2022-23, provided however that the Special Tax may cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on all Outstanding Bonds have been paid.

The Special Tax B shall be levied in perpetuity as necessary to satisfy the Special Tax Requirement for Services.

## **I. EXEMPTIONS**

The CFD Administrator shall classify as Exempt Property (i) Assessor's Parcels of Public Property, (ii) Assessor's Parcels of Property Owner Association Property, or (iii) 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, and (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement as determined reasonably by the CFD Administrator, provided that no such classification in (i) through (iv), inclusive, would reduce the sum of all Taxable Property in CFD No. 2022-1 IA 1 to less than 14.11 Acres. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property in CFD No. 2022-1 IA 1 to less than 14.11 Acres shall be classified as Provisional Property and will continue to be subject to the CFD No. 2022-1 IA 1 Special Taxes accordingly. Tax exempt status for the purpose of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes eligible for classification as Exempt Property.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section I above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

## **J. APPEALS**

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation, the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,
- (ii) Require the CFD to reimburse the landowner for the amount of the overpayment to the extent of available CFD funds, or
- (iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the Council. Upon the receipt of such notice, the Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

## **K. INTERPRETATIONS**

The Council or designee thereof shall interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the Council or designee shall be final.



**EXHIBIT A**  
**CERTIFICATE TO AMEND THE SPECIAL TAX**  
**CITY OF RICHMOND**  
**COMMUNITY FACILITIES DISTRICT NO. 2022-1 (POINT MOLATE)**  
**IMPROVEMENT AREA NO. 1**  
**TAX REDUCTION CERTIFICATE**

1. Pursuant to Section G of the Rate and Method of Apportionment for Improvement Area No. 1 of City of Richmond Community Facilities District No. 2022-1 (Point Molate) (the “RMA”), as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Contra Costa as Instrument No. \_\_\_\_\_ on \_\_/\_\_/\_\_\_\_, the City of Richmond (the “City”) hereby reduces the Assigned Special Tax A rates for Developed Property within CFD No. 2022-1 IA 1 set forth in Table 1 of the RMA.
2. The calculations made pursuant to Section G were based upon a Price Point Study that was received by the CFD Administrator on \_\_/\_\_/\_\_\_\_.
3. The Information in Table 1 relating to the Assigned Special Tax A for Developed Property within CFD No. 2022-1 IA 1 shall be amended and restated as shown in Table A-1 below:

Land Use Class	Land Use Type	Assigned Special Tax A
1	Single Family Residential Property	\$[     ] per Residential Unit
2	Low-Rise Apartment/Townhome Property	\$[     ] per Residential Unit
3	Mid-Rise Condominium Property	\$[     ] per Residential Unit
4	For-Rent Low-Rise Apartment/Townhome Property	\$[     ] per Residential Unit
5	For-Rent Mid-Rise Apartment Property	\$[     ] per Residential Unit
6	For-Rent Affordable Residential Property	\$[     ] per Residential Unit
7	Mixed-Use Non-Residential Property	\$[     ] per Square Foot
8	Neighborhood Retail Property	\$[     ] per Square Foot

4. The Backup Special Tax A for an Assessor’s Parcel of Developed Property shall equal \$[     ] per Acre for each Final Map as shown in Table A-2 below:
5. On each July 1, commencing on July 1, \_\_\_\_, the Assigned Special Tax A rates in Table A-1 and the Backup Special Tax A rates in 4 above shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.
6. Upon execution of the certificate by the City and CFD No. 2022-1 IA 1, the City shall cause an amended Notice of Special Tax Lien for CFD No. 2022-1 IA 1 to be recorded reflecting the modifications set forth herein.

Submitted:

CFD ADMINISTRATOR

By: \_\_\_\_\_

Date: \_\_\_\_\_

By execution hereof, the undersigned acknowledges on behalf of CFD No. 2022-1 IA 1, receipt of this certificate and modification of the RMA as set forth in this certificate.

Improvement Area No. 1 of City of Richmond Community Facilities District No. 2022-1 (Point Molate).

By: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT D

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR  
THE CITY OF RICHMOND  
COMMUNITY FACILITIES DISTRICT NO. 2022-1  
(POINT MOLATE)  
IMPROVEMENT AREA NO. 2

# Rate and Method of Apportionment of Special Tax

## City of Richmond Community Facilities District No. 2022-1 (Point Molate) Improvement Area No. 2

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A Special Tax A and a Special Tax B shall be levied on all Taxable Property within the boundaries of Improvement Area No. 2 of the City of Richmond Community Facilities District No. 2022-1 (Point Molate) (“CFD No. 2022-1 IA 2”) and collected each Fiscal Year commencing in Fiscal Year 2022-23, in an amount determined by the CFD Administrator through the application of the procedures described below. All the real property within CFD No. 2022-1 IA 2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Acquisition Agreement**” means that Acquisition Agreement relating to CFD No. 2022-1 (and all improvement areas designated therein) by and between the City and the Developer.

“**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 an Assessor’s Parcel Map, the land area shown on the applicable Final Map. An Acre means 43,560 square feet of land.

“**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 actual or reasonably estimated costs related to the administration of CFD No. 2022-1 IA 2 including, but not limited to: the costs of preparing and computing the Special Taxes (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2022-1 IA1, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 2022-1 IA 2, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 2022-1 IA 2, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 2022-1 IA 2, or any designee thereof related to an appeal of the Special Taxes; 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. 2022-1 IA 2 for any other administrative purposes of CFD No. 2022-1 IA 2, including attorney's fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

**"Approved Property"** means all Assessor's Parcels of Taxable Property exclusive of Provisional Property: (i) that are included in a Final Map that was recorded prior to the January 1st preceding the Fiscal Year in which the Special Taxes are being levied, and (ii) that have not been issued a Building Permit on or prior to the May 1st preceding the Fiscal Year in which the Special Taxes are being levied.

**"Assessor"** means the Assessor of the County of Contra Costa.

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

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

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

**"Assigned Special Tax A"** means the Special Tax of that name described in Section C.1 below.

**"Authorized Facilities"** means those facilities and capital fees that are authorized to be financed by CFD No. 2022-1 IA 2.

**"Backup Special Tax A"** means the Special Tax of that name described in Section C.2 below.

**"Base Year"** means the Fiscal Year beginning July 1, 2022 and ending June 30, 2023.

**"Bonds"** means any bonds or other Debt of CFD No. 2022-1 IA 2, whether in one or more series, secured by the levy of Special Taxes.

**"Boundary Map"** means the map of the boundaries of CFD No. 2022-1 IA 2 recorded in the Contra Costa County Recorder's Office.

**"Building Permit"** means a building permit for construction of a Residential Unit or Non-Residential Property within CFD No. 2022-1 IA 2 issued by the City.

**"Building Square Footage"** means all of the square footage of usable area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by reference to the Building Permit(s) issued for such structure and/or by reference to appropriate records kept by the City.

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

**"CFD Administrator"** means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement for Facilities and the Special Tax Requirement for Services, for preparing the Special Tax roll and/or calculating the Backup Special Tax A.

**“CFD No. 2022-1”** means the City of Richmond Community Facilities District No. 2022-1 (Point Molate).

**“CFD No. 2022-1 IA 2”** means Improvement Area No. 2 of the City of Richmond Community Facilities District No. 2022-1 (Point Molate).

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

**“Consumer Price Index”** means the Consumer Price Index for All Urban Consumers published by the U.S. Bureau of Labor Statistics for the San Francisco-Oakland-Hayward, CA area in the December preceding the 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 original index.

**“Council”** means the City Council of the City acting as the legislative body of CFD No. 2022-1 IA 2 under the Act.

**“County”** means the County of Contra Costa, California.

**“Debt”** means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts.

**“Debt Service”** means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1st of such Fiscal Year.

**“Developed Property”** means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to May 1st of the previous Fiscal Year. An Assessor’s Parcel classified as Developed Property but for which the Building Permit that caused such Assessor’s Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as Approved Property, provided that the levy of the Special Taxes on such Assessor’s Parcel after such reclassification does not cause the total Special Tax A authorized to be collected within CFD No. 2022-1 IA 2 to be less than 1.1 times the annual Debt Service plus Administrative Expenses, on all Outstanding Bonds for any future Fiscal Year. If Bonds have not been issued, an Assessor’s Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Approved Property.

**“Developer”** means Winehaven Legacy LLC and its successors, if any, acting as the developer of the property in CFD No. 2022-1 IA 2.

**“Exempt Property”** means for each Fiscal Year, all Assessor’s Parcels designated as being exempt from Special Taxes pursuant to Section I below.

**“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 or units for which Building Permits may be issued without further subdivision.

**“Fiscal Deficit”** means, for any Fiscal Year, the amount determined by the City’s designated consultant to be the actual negative fiscal impact to the City’s general fund that the project associated with CFD No. 2022-1 when applying the methodology detailed in the Peer Review of Winehaven Prepared Fiscal Impact Analysis for Proposed Point Molate Mixed-Use Development Project prepared by Bay Area Economics in June 2020 for the City and using the actual sales data as of August 1 of such Fiscal Year. If the actual sales data for Assessor’s Parcels within CFD No. 2022-1 IA 2 is not available at the time the report is prepared, assessed values on the latest secured roll prepared by the County will be used.

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

**“For-Rent Affordable Residential Property”** means Residential Property consisting of Residential Units that are available for rental by moderate-, low-, very low- or extremely low-income persons, not for sale to an end user, under common management, and subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing for affordable housing.

**“For-Rent Low-Rise Apartment/Townhome Property”** means Residential Property consisting of a building or buildings of 2 to 3 stories which consist of either stacked multi-family buildings or adjoined multi-story houses that are similar to each other available for rental by the general public, not for sale to an end user, and under common management.

**“For-Rent Mid-Rise Apartment Property”** means Residential Property that consists of a multi-family building or buildings on a single or conjoined multiple parcels where there are typically 3 to 7 stories of housing available for rental by the general public, not for sale to an end user, and under common management.

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

**“Land Use Class”** means any of the classes listed in Table 1 under Section C below.

**“Lot”** means an Assessor’s Parcel created by a Final Map on which one or more Residential Units can be constructed.

**“Low-Rise Apartment/Townhome Property”** means Residential Property consisting of a building or buildings of 2 to 3 stories which consist of either stacked multi-family buildings or adjoined multi-story houses that are similar to each other and offered for sale to the public.

**“Maximum Special Tax A”** means for each Assessor’s Parcel, the Maximum Special Tax A, determined in accordance with Sections C.3 and C.4 below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax B”** means for each Assessor’s Parcel, the maximum Special Tax B, determined in accordance with Section C.1 and C.4 below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

**“Mid-Rise Condominium Property”** means Residential Property that consists of a building or complex of buildings containing a number of individually owned apartments in buildings 3 to 7 stories that are for-sale but share common spaces, amenities, parking areas, utility and maintenance areas, and the property’s grounds.

**“Mixed-Use Non-Residential Property”** means Non-Residential Property that resides within a shared building or complex of buildings which provide more than one use or purpose on the same lot and may include any combination of office, retail, institutional, recreational, other commercial or industrial uses.

**“Neighborhood Retail Property”** means Non-Residential Property not classified as Mixed-Use Non-Residential Property.

**“Non-Residential Property”** means all Assessor’s Parcels for which a building permit has been issued prior to May 1st of the previous Fiscal Year for the purpose of constructing one or more non-residential units or facilities.

**“Outstanding Bonds”** means all Bonds, which are deemed to be outstanding under the Indenture.

**“Prepayment Amount”** means the amount required to prepay the Special Tax A Obligation in full for an Assessor’s Parcel as described in Section 6.A below.

**“Property Owner Association Property”** means any Assessor’s Parcel within the boundaries of CFD No. 2022-1 IA 2 owned in fee by a property owner association, including any master or sub-association.

**“Proportionately”** or **“Proportionate”** means for Developed Property and Special Tax A, that the ratio of the actual Special Tax A levy to the applicable Assigned Special Tax A, Maximum Special Tax A is equal for all Assessor’s Parcels of Developed Property. For Developed Property and Special Tax B, that the ratio of the actual Special Tax B levy to the Maximum Special Tax B is equal for all Assessor’s Parcels of Developed Property. For Approved Property, Undeveloped Property, or Provisional Property and Special Tax A, “Proportionately” means that the ratio of the actual Special Tax A levy per Acre to the Maximum Special Tax A per Acre is equal for all Assessor’s Parcels of Approved Property, Undeveloped Property or Provisional Property. For Approved Property, Undeveloped Property, or Provisional Property and Special Tax B, “Proportionately” means that the ratio of the actual Special Tax B levy per Acre to the Maximum Special Tax B per Acre is equal for all Assessor’s Parcels of Approved Property, Undeveloped Property, or Provisional Property. “Proportionately” may similarly be applied to other categories of Taxable Property as listed in Section C below.

**“Provisional Property”** means all Assessor’s Parcels of Public Property, Property Owner Association Property, Non-Residential Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section I but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage as set forth in Section I.

**“Public Property”** means any property within the boundaries of CFD No. 2022-1 IA 2, which is owned by, or irrevocably offered for dedication to the federal government, the State of



California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment of Special Tax applicable to the property shown on the Boundary Map of CFD No. 2022-1 IA 2.

**“Remainder Taxes”** means the amount of the annual Special Tax A levy that is not needed to pay for items (i), (ii), (iii), (iv), and (vi) of the definition of the Special Tax Requirement for Facilities.

**“Remainder Taxes Priority”** means that the Remainder Taxes shall be applied as follows and in the following order of priority: (i) to the reimbursement of, or payment to, the Developer for Authorized Facilities in a cumulative amount of \$15,000,000, as set forth in the Acquisition Agreement; and (ii) to the financing of Authorized Facilities not included in subsection (i).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more Residential Units.

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

**“Single Family Residential Property”** means Residential Property not classified as For-Rent Affordable Property, For-Rent Low-Rise Apartment/Townhome Property, For-Rent Mid-Rise Apartment Property, Low-Rise Apartment/Townhome Property or Mid-Rise Condominium Property.

**“Special Tax”** or **“Special Taxes”** means any special tax levied within CFD No. 2022-1 IA 2 pursuant to the Act and this Rate and Method of Apportionment.

**“Special Tax A”** means the special tax to be levied each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2022-1 IA 2 to fund the Special Tax Requirement for Facilities.

**“Special Tax A Obligation”** means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of CFD No. 2022-1 IA 2.

**“Special Tax B”** means the special tax to be levied each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2022-1 IA 2 to fund the Special Tax Requirement for Services.

**“Special Tax Requirement for Facilities”** means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay a proportionate share of Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds provided that such amounts have not been included in a prior Fiscal Year’s levy; (v) accumulate funds to pay directly for acquisition or construction of Authorized Facilities, provided that the inclusion of such amount does not cause an increase in the Special Tax A to be levied on Approved Property, Undeveloped Property, or Provisional Property; and (vi) pay for reasonably anticipated Special Tax A delinquencies based on the delinquency rate for Special Taxes levied

in the previous Fiscal Year on property in CFD No. 2022-1 IA 2; less (vii) a credit for funds available to reduce the Special Tax A levy, as determined by the CFD Administrator pursuant to the Indenture.

**“Special Tax Requirement for Services”** means that amount required in any Fiscal Year to: (i) pay directly for services in the Calendar Year commencing in such Fiscal Year provided that the amount does not result in a Special Tax B levy on Approved Property and Undeveloped Property that exceeds the Fiscal Deficit for such Fiscal Year; (ii) pay a proportionate share of Administrative Expenses; (iii) pay for reasonably anticipated Special Tax B delinquencies based on the delinquency rate for Special Tax B levied in the previous Fiscal Year on property in CFD No. 2022-1 IA 2; less (iv) a credit for funds available to reduce the Special Tax B levy, as determined by the CFD Administrator.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 2022-1 IA 2, which are not exempt from the levy of the Special Taxes pursuant to law or Section I below.

**“Trustee”** means the trustee or fiscal agent under the Indenture.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Approved Property or Provisional Property.

## **B. LAND USE CLASSIFICATION**

Each Fiscal Year, beginning with Fiscal Year 2022-23, each Assessor’s Parcel within CFD No. 2022-1 IA 2 shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Approved Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below. Furthermore, each Assessor’s Parcel of Developed Property shall be assigned to a Land Use Class and land use type based on its Building Square Footage, as applicable.

## C. SPECIAL TAX RATES

### 1. Assigned Special Tax A and Maximum Special Tax B for Developed Property

The Assigned Special Tax A and Maximum Special Tax B applicable to an Assessor's Parcel classified as Developed Property for the Base Year shall be determined pursuant to Table 1 below.

**Table 1**  
**Base Year Assigned Special Tax A and Maximum Special Tax B**  
**(Fiscal Year 2022-23)**

Land Use Class	Land Use Type	Assigned Special Tax A	Maximum Special Tax B
1	Single Family Residential Property	\$8,841 per Residential Unit	\$1,100 per Residential Unit
2	Low-Rise Apartment/Townhome Property	\$6,364 per Residential Unit	\$770 per Residential Unit
3	Mid-Rise Condominium Property	\$6,771 per Residential Unit	\$660 per Residential Unit
4	For-Rent Low-Rise Apartment/Townhome Property	\$1,048 per Residential Unit	\$550 per Residential Unit
5	For-Rent Mid-Rise Apartment Property	\$1,497 per Residential Unit	\$440 per Residential Unit
6	For-Rent Affordable Residential Property	\$1,248 per Residential Unit	\$330 per Residential Unit
7	Mixed-Use Non-Residential Property	\$1.00 per Square Foot	\$1.00 per Square Foot
8	Neighborhood Retail Property	\$1.00 per Square Foot	\$0.63 per Square Foot

For each subsequent Fiscal Year following the Base Year, the Assigned Special Tax A in Table 1 above shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year, and the Maximum Special Tax B in Table 1 above shall be increased by the percent change in the Consumer Price Index since the prior Fiscal Year but not less than two percent (2%) or greater than six percent (6%).

### 2. Backup Special Tax A for Developed Property

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Special Tax A. The Backup Special Tax A for High-Density Residential Property shall be equal

to the Assigned Special Tax A. The Backup Special Tax A for an Assessor's Parcel of Developed Property, not classified as High-Density Residential Property, within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2022-23 or such later Fiscal Year in which such Final Map is created, subject to increases as described below.

**(a) Calculation of the Backup Special Tax A**

$$B = \frac{U \times A}{L}$$

The terms above have the following meanings:

- B** = Backup Special Tax A per Lot for the applicable Final Map
- U** = Assigned Special Tax A per Acre of Approved Property or Undeveloped Property for the Fiscal Year the calculation is performed
- A** = Acreage of Taxable Property expected to exist within such Final Map at the time of calculation, as determined by the CFD Administrator
- L** = Number of Lots within the applicable Final Map at the time of calculation

Notwithstanding the foregoing, the Backup Special Tax A for a parcel of Developed Property for which a Certificate of Occupancy has been provided may not be changed.

**(b) Changes to a Final Map**

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Special Tax A for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- (iv) Determine the total Backup Special Tax A revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- (v) The result of paragraph (a) above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- (vi) The result of paragraph b above shall be divided by 43,560. The result is the Backup Special Tax A per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

**(c) Increase in the Backup Special Tax A**

Each July 1, commencing the July 1 following the initial calculation of the Backup Special Tax A for Developed Property within a Final Map, the Backup Special Tax A for each Lot within such Final Map shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

### 3. Maximum Special Tax A for Developed Property

The Maximum Special Tax A for Developed Property shall be the greater of the Assigned Special Tax A for Developed Property or the Backup Special Tax A for Developed Property.

### 4. Maximum Special Tax A and Maximum Special Tax B for Provisional Property, Approved Property and Undeveloped Property

The Base Year Maximum Special Tax A for Provisional Property, Approved Property and Undeveloped Property shall be \$157,481 per Acre.

The Base Year Maximum Special Tax B for Approved Property and Undeveloped Property shall be \$121,815 per Acre. In the first Fiscal Year in which the Fiscal Deficit has been determined to be less than or equal to zero, the Base Year Maximum Special Tax B for Approved Property and Undeveloped Property shall be \$0 per Acre in that Fiscal Year and each Fiscal Year thereafter.

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax A rate for Provisional Property, Approved Property and Undeveloped Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year, and the Maximum Special Tax B for Provisional Property, Approved Property and Undeveloped Property shall be increased by the percent change in the Consumer Price Index since the prior Fiscal Year but not less than two percent (2%) or greater than six percent (6%).

## D. METHOD OF APPORTIONMENT

### 1. Special Tax A

For each Fiscal Year, commencing Fiscal Year 2022-23, the CFD Administrator shall levy the Special Tax A on all Taxable Property in accordance with the following steps:

**Step 1:** (a) Through Fiscal Year 2071-72, the Special Tax A shall be levied at the applicable Assigned Special Tax A on each Assessor's Parcel of Developed Property. Any Remainder Taxes shall be applied as set forth in the Remainder Taxes Priority.

(b) After Fiscal Year 2071-72, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax A until the Special Tax Requirement for Facilities is met.

**Step 2:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after Step 1 has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Approved Property in an amount up to 100% of the Maximum Special Tax A for Approved Property.

**Step 3:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, the Special Tax A shall be levied

Proportionately on each Assessor's Parcel of Undeveloped Property in an amount up to 100% of the Maximum Special Tax A for Undeveloped Property.

**Step 4:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Special Tax A amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax A for Developed Property.

**Step 5:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Provisional Property in an amount up to 100% of the Maximum Special Tax A for Provisional Property.

In the event Building Permits have been issued prior to May 1st of the previous Fiscal Year for one or more Residential Units on a single Assessor's Parcel, causing such Assessor's Parcels to be classified as Developed Property, and the County has not yet assigned final Assessor's Parcel Number(s) to such Residential Unit(s) in accordance with the Final Map applicable to such Assessor's Parcel, the amount of the Special Tax A levy on such Assessor's Parcel shall be determined as follows: (1) the CFD Administrator shall first determine an amount of the Maximum Special Tax A for such Assessor's Parcel, based on the classification of such Assessor's Parcel as Approved Property or Undeveloped Property; (2) the CFD Administrator shall then determine the amount of the Special Tax A levy for the Residential Units on such Assessor's Parcel for which Building Permits have been issued shall be determined based on the Developed Property Assigned Special Tax A rates, and such amount shall be levied as Developed Property in accordance with Step 1 above; and (3) the amount of the Special Tax A on the Taxable Property in such Assessor's Parcel not subject to the Special Tax A levy in clause (2) shall be equal to: (A) the percentage of the Maximum Special Tax A rate levied on all other Approved Property or Undeveloped Property pursuant to Step 2 or 3 above, as applicable, multiplied by the total of the amount determined in clause (1), less (B) the amount determined in clause (2) of this paragraph.

Notwithstanding the above, under no circumstances will the Special Tax A levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax A applicable to any other Assessor's Parcel within CFD No. 2022-1 IA1 by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

## **2. Special Tax B**

For each Fiscal Year, commencing Fiscal Year 2022-23, the CFD Administrator shall levy the Special Tax A on all Taxable Property in accordance with the following steps:

**Step 1:** The Special Tax B shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax B.

**Step 2:** If additional monies are needed to satisfy the Special Tax Requirement for Services after Step 1 has been completed, the Special Tax B shall be levied

Proportionately on each Assessor's Parcel of Approved Property in an amount up to 100% of the Maximum Special Tax B for Approved Property.

**Step 3:** If additional monies are needed to satisfy the Special Tax Requirement for Services after the first two steps have been completed, the Special Tax B shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in an amount up to 100% of the Maximum Special Tax B for Undeveloped Property.

In the event Building Permits have been issued prior to May 1st of the previous Fiscal Year for one or more Residential Units on a single Assessor's Parcel, causing such Assessor's Parcels to be classified as Developed Property, and the County has not yet assigned final Assessor's Parcel Number(s) to such Residential Unit(s) in accordance with the Final Map applicable to such Assessor's Parcel, the amount of the Special Tax B levy on such Assessor's Parcel shall be determined as follows: (1) the CFD Administrator shall first determine an amount of the Maximum Special Tax B for such Assessor's Parcel, based on the classification of such Assessor's Parcel as Approved Property or Undeveloped Property; (2) the CFD Administrator shall then determine the amount of the Special Tax B levy for the Residential Units on such Assessor's Parcel for which Building Permits have been issued shall be determined based on the Developed Property Assigned Special Tax B rates, and such amount shall be levied as Developed Property in accordance with Step 1 above; and (3) the amount of the Special Tax B on the Taxable Property in such Assessor's Parcel not subject to the Special Tax B levy in clause (2) shall be equal to: (A) the percentage of the Maximum Special Tax B rate levied on all other Approved Property or Undeveloped Property pursuant to Step 2 or 3 above, as applicable, multiplied by the total of the amount determined in clause (1), less (B) the amount determined in clause (2) of this paragraph.

## **E. COLLECTION OF SPECIAL TAXES**

Collection of the Special Taxes shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Special Taxes shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the Council may provide for (i) other means of collecting the Special Taxes, including direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Special Taxes.

## **F. PREPAYMENT OF SPECIAL TAX A OBLIGATION**

The following definition applies to this Section F:

**"CFD Public Facilities Costs"** means \$22 million or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the Authorized Facilities to be financed under the Act and financing program for CFD No. 2022-1 IA 2, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds) in CFD No. 2022-1 IA 2.

**“Construction Fund”** means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the Authorized Facilities.

**“Future Facilities Costs”** means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund or from Special Tax A to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund or other fund holding Special Tax A that is available to finance the CFD Public Facilities Costs, and (iii) monies currently on deposit in an escrow or other designated fund of CFD No. 2022-1 IA 2 that are expected to be available to finance CFD Public Facilities Costs. The amount of Future Facilities Costs may not be less than \$0.

**“Outstanding Bonds”** means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax A prepayments.

**“Previously Issued Bonds”** means all Bonds that have been issued prior to the date of prepayment.

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

Property owners may prepay and permanently satisfy the Special Tax A Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The Special Tax B obligation may not be prepaid.

The Special Tax A Obligation applicable to an Assessor’s Parcel of Developed Property, Approved Property, or Undeveloped Property that has been included in a Final Map may be 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 with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel eligible to prepay the Special Tax A Obligation shall provide the CFD Administrator with written notice of intent to prepay and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor’s Parcel within thirty (30) days of the request and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for Outstanding Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Trustee and the City.



The Prepayment Amount shall be calculated for each applicable Assessor’s Parcel or group of Assessor’s Parcels 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
<u>less</u>	<u>Capitalized Interest Credit</u>
Equals:	Prepayment Amount

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

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.
2. For Assessor’s Parcel of Developed Property, compute the Maximum Special Tax A for the Assessor’s Parcel as though all Assessor’s Parcels of Taxable Property within CFD No. 2022-1 IA 2 have been built out. 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, 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 estimated total amount of Special Tax A that could be levied at build out of all Assessor’s Parcels of Taxable Property based on the applicable Maximum Special Tax A for all such Assessor’s Parcels of Taxable Property not including any Parcels for which the Special Tax A Obligation has been previously prepaid.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the “Bond Redemption Amount”).
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the “Redemption Premium”).
6. Determine the Future Facilities Costs.
7. Multiply the quotient derived pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to determine the portion of the Future Facilities Costs applicable to the 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 A prepayments.

9. Determine the Special Tax A amount 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 associated with the prepayment, including the cost to invest the Prepayment Amount, the cost of redeeming the Outstanding Bonds, and the cost of recording notices to evidence the prepayment of the Special Tax A Obligation for the 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. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

15. The amount to prepay the Special Tax A Obligation 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 and the Capitalized Interest Credit.

16. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make Debt Service payments. The Future Facilities Amount shall be deposited into the Construction Fund. The Administrative Fees and Expenses shall be retained by CFD No. 2022-1 IA 2.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of Outstanding Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to redeem Outstanding Bonds to be used with the next prepayment of Outstanding Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax A Obligation is prepaid

in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax A and the release of the Special Tax A lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay the Special Tax A shall cease.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

## 2. Partial Prepayment

The Special Tax on an Assessor's Parcel of Developed Property, Approved Property, or Undeveloped Property may be partially prepaid. The amount of the prepayment shall be calculated as in Section F.1; except that a "Partial Prepayment Amount" shall be calculated according to the following formula:

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

The terms above have the following meanings:

**PP** = The Partial Prepayment Amount

**PE** = The Prepayment Amount calculated according to Section F.1

**F** = The percentage of the Special Tax A Obligation that the owner of the Assessor's Parcel(s) is partially prepaying

**A** = The Prepayment Administrative Fees and Expenses from Section F.1

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax A Obligation, (ii) the percentage by which the Special Tax A Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax A Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section F.1, and (ii) indicate in the records of CFD No. 2022-1 IA1 that there has been a partial prepayment of the Special Tax A Obligation and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the Maximum Special Tax A, shall continue to be levied on such Assessor's Parcel.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

The Special Tax B may not be prepaid.

## G. SPECIAL TAX REDUCTION

The following definitions apply to this Section G:

**“Base Price”** means, with respect to the Residential Units in each Plan Type as of the date of the applicable Price Point Study, the base price of such Residential Units as estimated by the Price Point Consultant, excluding potential appreciation, premiums, options, or upgrades, based upon their actual or expected characteristics, such as living area, view, or lot size.

**“Plan Type”** means a discrete residential plan type, generally consisting of Residential Units that share a common product type (e.g. detached, attached or cluster) and that have nearly identical amounts of living area, that is constructed or expected to be constructed within CFD No. 2022-1 IA 2, as identified in the Price Point Study.

**“Price Point Consultant”** means any consultant or firm of such consultants selected by CFD No. 2022-1 IA 2 that (a) has substantial experience in performing price point studies or otherwise estimating or confirming pricing for Residential Units within community facilities districts; (b) is well-versed in analyzing economic and real estate data that relate to the pricing of Residential Units in community facilities districts; (c) is independent and not under the control of CFD No. 2022-1 IA 2, the City, or the developer; (d) does not have any substantial interest, direct or indirect, with or in CFD No. 2022-1 IA 2, the City, any owner of real property within CFD No. 2022-1 IA 2, or any real property in CFD No. 2022-1 IA 2; and (e) is not connected with CFD No. 2022-1 IA 2 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2022-1 IA 2 or the City.

**“Price Point Study”** means a price point study or a letter updating a previous price point study which (a) has been prepared by the Price Point Consultant; (b) sets forth the Plan Types constructed or expected to be constructed within CFD No. 2022-1 IA 2; (c) sets forth the estimated number of constructed and expected Residential Units for each Plan Type; (d) sets forth estimates of the Base Price for each Plan Type; and (e) uses a date for estimating such Base Prices that is no earlier than 30 days prior to the date the Price Point Study is delivered to the CFD Administrator, pursuant to this Section G.

**“Total Effective Tax Rate”** means, for a Plan Type, the Total Tax Burden for such Plan Type divided by the Base Price for such Plan Type, converted to a percentage.

**“Total Effective Tax Rate Limit”** means 2.00%.

**“Total Tax Burden”** means, with respect to a Plan Type, for the Fiscal Year for which the calculation is being performed, the sum of the Assigned Special Tax, estimated *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges levied or imposed on Residential Units of such Plan Type in CFD No. 2022-1 IA 2 in such Fiscal Year or that would have been levied or imposed on all such Residential Units had they been subject to such levies (excluding homeowners’ association dues and Property Assessed Clean Energy (PACE) charges imposed pursuant to AB 811 or SB 555).

Prior to the issuance of the first series of Bonds for CFD No. 2022-1 IA 2, the following steps shall be taken for each Land Use Class of for-sale Residential Property in CFD No. 2022-1 IA 2 for evaluating the Special Tax A:

1. At least 30 days prior to the issuance of the first series of Bonds for CFD No. 2022-1 IA 2, a Price Point Study shall be completed and delivered to the CFD Administrator.
2. The CFD Administrator shall determine the Total Tax Burden and Total Effective Tax Rate for each Plan Type in CFD No. 2022-1 IA 2.
3. Separately, for each Land Use Class of for-sale Residential Property in CFD No. 2022-1 IA 2, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to the Total Effective Tax Rate Limit.
  - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to the Total Effective Tax Rate Limit, then there shall be no change in Special Tax A rate for such Land Use Class in CFD No. 2022-1 IA 2.
  - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class is greater than the Total Effective Tax Rate Limit, the CFD Administrator shall calculate a revised Assigned Special Tax A rate that does not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed the Total Effective Tax Rate Limit and assign the revised Assigned Special Tax A rate to the Land Use Class.
4. If the Assigned Special Tax A for any Land Use Class is revised pursuant to Step 3b above, the CFD Administrator shall calculate a revised Backup Special Tax A rate for each applicable Final Map within CFD No. 2022-1 IA 2. The revised Backup Special Tax A for each applicable Final Map shall be an amount (rounded to the nearest whole dollar) calculated pursuant to the formula below:

$$\mathbf{RBST} = \mathbf{BST} \times \left( 1 + \frac{\mathbf{RAST} - \mathbf{AST}}{\mathbf{AST}} \right)$$

The terms above have the following meanings:

**RBST** = Revised Backup Special Tax A

**BST** = The Backup Special Tax A for the Final Map, as set forth in Section C.2.

**RAST** = The total estimated Assigned Special Tax A levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD No. 2022-1 IA 2, including any reduced Assigned Special Tax A amounts resulting from the calculations in Step 3b above.

**AST** = The total estimated Assigned Special Tax A levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD NO. 2022-1 IA 2 based on the Assigned Special Tax A rates in effect prior to the reduction, pursuant to steps 3a and 3b.

5. If the Assigned Special Tax A for any Land Use Class is revised pursuant to Step 3b above, the CFD Administrator shall also prepare and execute a Certificate to Amend the Special Tax substantially in the form of Exhibit "A" hereto and shall deliver such Certificate to

Amend the Special Tax for CFD No. 2022-1 IA 2. The Certificate to Amend the Special Tax shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax A for a Land Use Class as calculated pursuant to step 3b, or (ii) the Assigned Special Tax A as identified in Table 1 of Section C for a Land Use Class that was not revised as determined pursuant to step 3a; as well as either (i) the revised Backup Special Tax A as calculated pursuant to Step 4, or (ii) the Backup Special Tax A as identified in Section C.2 that was not revised as determined pursuant to step 4 above.

6. If the anticipated date of issuance for the first series of Bonds is within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 2022-1 IA 2 shall execute the acknowledgement on such Certificate to Amend the Special Tax dated as of the closing date of such Bonds, and upon the closing of such first series of Bonds, the Assigned Special Tax A for each Land Use Class and the Backup Special Tax shall be as set forth in such Certificate to Amend the Special Tax. If the date of issuance of the first series of Bonds is not within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate to Amend the Special Tax shall not be acknowledged by CFD No. 2022-1 IA 2 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently a first series of Bonds is expected to be issued, at least 30 days prior to that expected date, steps 1 through 5 of this section shall be performed based on a new Price Point Study.
7. After the execution by CFD No. 2022-1 IA 2 of the acknowledgment on the Certificate to Amend the Special Tax, CFD No. 2022-1 IA 2 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for CFD No. 2022-1 IA 2 reflecting the Assigned Special Tax A and the Backup Special Tax A for CFD No. 2022-1 IA 2 set forth in such Certificate to Amend the Special Tax.
8. If the Assigned Special Tax A is not required to be changed for any Land Use Class based on the calculations performed under Step 3 above, there shall be no reduction in the Assigned Special Tax A or Backup Special Tax A, and no Certificate to Amend the Special Tax shall be required.

## **H. TERM OF SPECIAL TAX**

The Special Tax A shall be levied as long as necessary to meet the Special Tax Requirement for Facilities for a period not to exceed sixty (60) Fiscal Years commencing with Fiscal Year 2022-23, provided however that the Special Tax may cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on all Outstanding Bonds have been paid.

The Special Tax B shall be levied in perpetuity as necessary to satisfy the Special Tax Requirement for Services.

## **I. EXEMPTIONS**

The CFD Administrator shall classify as Exempt Property (i) Assessor's Parcels of Public Property, (ii) Assessor's Parcels of Property Owner Association Property, or (iii) 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, and (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement as determined reasonably by the CFD Administrator, provided that no such classification in (i) through (iv), inclusive, would reduce the sum of all Taxable Property in CFD No. 2022-1 IA 2 to less than 9.48 Acres. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property in CFD No. 2022-1 IA 2 to less than 9.48 Acres shall be classified as Provisional Property and will continue to be subject to the CFD No. 2022-1 IA 2 Special Taxes accordingly. Tax exempt status for the purpose of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes eligible for classification as Exempt Property.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section I above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

## **J. APPEALS**

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation, the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,
- (ii) Require the CFD to reimburse the landowner for the amount of the overpayment to the extent of available CFD funds, or
- (iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the Council. Upon the receipt of such notice, the Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

## **K. INTERPRETATIONS**

The Council or designee thereof shall interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the Council or designee shall be final.

**EXHIBIT A**  
**CERTIFICATE TO AMEND THE SPECIAL TAX**  
**CITY OF RICHMOND**  
**COMMUNITY FACILITIES DISTRICT NO. 2022-1 (POINT MOLATE)**  
**IMPROVEMENT AREA NO. 2**  
**TAX REDUCTION CERTIFICATE**

7. Pursuant to Section G of the Rate and Method of Apportionment for Improvement Area No. 2 of City of Richmond Community Facilities District No. 2022-1 (Point Molate) (the "RMA"), as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Contra Costa as Instrument No. \_\_\_\_\_ on \_\_/\_\_/\_\_\_\_, the City of Richmond (the "City") hereby reduces the Assigned Special Tax A rates for Developed Property within CFD No. 2022-1 IA 2 set forth in Table 1 of the RMA.
8. The calculations made pursuant to Section G were based upon a Price Point Study that was received by the CFD Administrator on \_\_/\_\_/\_\_\_\_.
9. The Information in Table 1 relating to the Assigned Special Tax A for Developed Property within CFD No. 2022-1 IA 2 shall be amended and restated as shown in Table A-1 below:

Land Use Class	Land Use Type	Assigned Special Tax A
1	Single Family Residential Property	\$[     ] per Residential Unit
2	Low-Rise Apartment/Townhome Property	\$[     ] per Residential Unit
3	Mid-Rise Condominium Property	\$[     ] per Residential Unit
4	For-Rent Low-Rise Apartment/Townhome Property	\$[     ] per Residential Unit
5	For-Rent Mid-Rise Apartment Property	\$[     ] per Residential Unit
6	For-Rent Affordable Residential Property	\$[     ] per Residential Unit
7	Mixed-Use Non-Residential Property	\$[     ] per Square Foot
8	Neighborhood Retail Property	\$[     ] per Square Foot

10. The Backup Special Tax A for an Assessor's Parcel of Developed Property shall equal \$[     ] per Acre for each Final Map as shown in Table A-2 below:
11. On each July 1, commencing on July 1, \_\_\_\_\_, the Assigned Special Tax A rates in Table A-1 and the Backup Special Tax A rates in 4 above shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.
12. Upon execution of the certificate by the City and CFD No. 2022-1 IA 2, the City shall cause an amended Notice of Special Tax Lien for CFD No. 2022-1 IA 2 to be recorded reflecting the modifications set forth herein.



Submitted:

CFD ADMINISTRATOR

By: \_\_\_\_\_

Date: \_\_\_\_\_

By execution hereof, the undersigned acknowledges on behalf of CFD No. 2022-1 IA 2, receipt of this certificate and modification of the RMA as set forth in this certificate.

Improvement Area No. 2 of City of Richmond Community Facilities District No. 2022-1 (Point Molate).

By: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT E

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR  
THE CITY OF RICHMOND  
COMMUNITY FACILITIES DISTRICT NO. 2022-1  
(POINT MOLATE)  
IMPROVEMENT AREA NO. 3

# Rate and Method of Apportionment of Special Tax

## City of Richmond Community Facilities District No. 2022-1 (Point Molate) Improvement Area No. 3

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A Special Tax A and a Special Tax B shall be levied on all Taxable Property within the boundaries of Improvement Area No. 3 of the City of Richmond Community Facilities District No. 2022-1 (Point Molate) (“CFD No. 2022-1 IA 3”) and collected each Fiscal Year commencing in Fiscal Year 2022-23, in an amount determined by the CFD Administrator through the application of the procedures described below. All the real property within CFD No. 2022-1 IA 3, 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:

**“Acquisition Agreement”** means that Acquisition Agreement relating to CFD No. 2022-1 (and all improvement areas designated therein) by and between the City and the Developer.

**“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 an Assessor’s Parcel Map, the land area shown on the applicable Final Map. An Acre means 43,560 square feet of land.

**“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 actual or reasonably estimated costs related to the administration of CFD No. 2022-1 IA 3 including, but not limited to: the costs of preparing and computing the Special Taxes (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2022-1 IA1, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 2022-1 IA 3, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 2022-1 IA 3, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 2022-1 IA 3, or any designee thereof related to an appeal of the Special Taxes; 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. 2022-1 IA 3 for any other administrative purposes of CFD No. 2022-1 IA 3, including attorney's fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

**"Approved Property"** means all Assessor's Parcels of Taxable Property exclusive of Provisional Property: (i) that are included in a Final Map that was recorded prior to the January 1st preceding the Fiscal Year in which the Special Taxes are being levied, and (ii) that have not been issued a Building Permit on or prior to the May 1st preceding the Fiscal Year in which the Special Taxes are being levied.

**"Assessor"** means the Assessor of the County of Contra Costa.

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

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

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

**"Assigned Special Tax A"** means the Special Tax of that name described in Section C.1 below.

**"Authorized Facilities"** means those facilities and capital fees that are authorized to be financed by CFD No. 2022-1 IA 1.

**"Backup Special Tax A"** means the Special Tax of that name described in Section C.2 below.

**"Base Year"** means the Fiscal Year beginning July 1, 2022 and ending June 30, 2023.

**"Bonds"** means any bonds or other Debt of CFD No. 2022-1 IA 3, whether in one or more series, secured by the levy of Special Taxes.

**"Boundary Map"** means the map of the boundaries of CFD No. 2022-1 IA 3 recorded in the Contra Costa County Recorder's Office.

**"Building Permit"** means a building permit for new construction or rehabilitation of a Residential Unit or Non-Residential Property within CFD No. 2022-1 IA 3 issued by the City.

**"Building Square Footage"** means all of the square footage of usable area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by reference to the Building Permit(s) issued for such structure and/or by reference to appropriate records kept by the City.

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

**"CFD Administrator"** means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement for Facilities and the Special Tax Requirement for Services, for preparing the Special Tax roll and/or calculating the Backup Special Tax A.

**“CFD No. 2022-1”** means the City of Richmond Community Facilities District No. 2022-1 (Point Molate).

**“CFD No. 2022-1 IA 3”** means Improvement Area No. 3 of the City of Richmond Community Facilities District No. 2022-1 (Point Molate).

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

**“Consumer Price Index”** means the Consumer Price Index for All Urban Consumers published by the U.S. Bureau of Labor Statistics for the San Francisco-Oakland-Hayward, CA area in the December preceding the 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 original index.

**“Council”** means the City Council of the City acting as the legislative body of CFD No. 2022-1 IA 3 under the Act.

**“County”** means the County of Contra Costa, California.

**“Debt”** means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts.

**“Debt Service”** means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1st of such Fiscal Year.

**“Developed Property”** means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to May 1st of the previous Fiscal Year. An Assessor’s Parcel classified as Developed Property but for which the Building Permit that caused such Assessor’s Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as Approved Property, provided that the levy of the Special Taxes on such Assessor’s Parcel after such reclassification does not cause the total Special Tax A authorized to be collected within CFD No. 2022-1 IA 3 to be less than 1.1 times the annual Debt Service plus Administrative Expenses, on all Outstanding Bonds for any future Fiscal Year. If Bonds have not been issued, an Assessor’s Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Approved Property.

**“Developer”** means Winehaven Legacy LLC and its successors, if any, acting as the developer of the property in CFD No. 2022-1 IA 3.

**“Exempt Property”** means for each Fiscal Year, all Assessor’s Parcels designated as being exempt from Special Taxes pursuant to Section I below.

**“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 or units for which Building Permits may be issued without further subdivision.

**“Fiscal Deficit”** means, for any Fiscal Year, the amount determined by the City’s designated consultant to be the actual negative fiscal impact to the City’s general fund that the project associated with CFD No. 2022-1 when applying the methodology detailed in the Peer Review of Winehaven Prepared Fiscal Impact Analysis for Proposed Point Molate Mixed-Use Development Project prepared by Bay Area Economics in June 2020 for the City and using the actual sales data as of August 1 of such Fiscal Year. If the actual sales data for Assessor’s Parcels within CFD No. 2022-1 IA 1 is not available at the time the report is prepared, assessed values on the latest secured roll prepared by the County will be used.

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

**“For-Rent Affordable Residential Property”** means Residential Property consisting of Residential Units that are available for rental by moderate-, low-, very low- or extremely low-income persons, not for sale to an end user, under common management, and subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City providing for affordable housing.

**“For-Rent Low-Rise Apartment/Townhome Property”** means Residential Property consisting of a building or buildings of 2 to 3 stories which consist of either stacked multi-family buildings or adjoined multi-story houses that are similar to each other available for rental by the general public, not for sale to an end user, and under common management.

**“For-Rent Mid-Rise Apartment Property”** means Residential Property that consists of a multi-family building or buildings on a single or conjoined multiple parcels where there are typically 3 to 7 stories of housing available for rental by the general public, not for sale to an end user, and under common management.

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

**“Land Use Class”** means any of the classes listed in Table 1 under Section C below.

**“Lot”** means an Assessor’s Parcel created by a Final Map on which one or more Residential Units can be constructed.

**“Low-Rise Apartment/Townhome Property”** means Residential Property consisting of a building or buildings of 2 to 3 stories which consist of either stacked multi-family buildings or adjoined multi-story houses that are similar to each other and offered for sale to the public.

**“Maximum Special Tax A”** means for each Assessor’s Parcel, the Maximum Special Tax A, determined in accordance with Sections C.3 and C.4 below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

**“Maximum Special Tax B”** means for each Assessor’s Parcel, the maximum Special Tax B, determined in accordance with Section C.1 and C.4 below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

**“Mid-Rise Condominium Property”** means Residential Property that consists of a building or complex of buildings containing a number of individually owned apartments in buildings 3 to 7 stories that are for-sale but share common spaces, amenities, parking areas, utility and maintenance areas, and the property’s grounds.

**“Mixed-Use Non-Residential Property”** means Non-Residential Property that resides within a shared building or complex of buildings which provide more than one use or purpose on the same lot and may include any combination of office, retail, institutional, recreational, other commercial or industrial uses.

**“Neighborhood Retail Property”** means Non-Residential Property not classified as Mixed-Use Non-Residential Property.

**“Non-Residential Property”** means all Assessor’s Parcels for which a building permit has been issued prior to May 1st of the previous Fiscal Year for the purpose of constructing one or more non-residential units or facilities.

**“Outstanding Bonds”** means all Bonds, which are deemed to be outstanding under the Indenture.

**“Prepayment Amount”** means the amount required to prepay the Special Tax A Obligation in full for an Assessor’s Parcel as described in Section 6.A below.

**“Property Owner Association Property”** means any Assessor’s Parcel within the boundaries of CFD No. 2022-1 IA 3 owned in fee by a property owner association, including any master or sub-association.

**“Proportionately”** or **“Proportionate”** means for Developed Property and Special Tax A, that the ratio of the actual Special Tax A levy to the applicable Assigned Special Tax A, Maximum Special Tax A is equal for all Assessor’s Parcels of Developed Property. For Developed Property and Special Tax B, that the ratio of the actual Special Tax B levy to the Maximum Special Tax B is equal for all Assessor’s Parcels of Developed Property. For Approved Property, Undeveloped Property, or Provisional Property and Special Tax A, “Proportionately” means that the ratio of the actual Special Tax A levy per Acre to the Maximum Special Tax A per Acre is equal for all Assessor’s Parcels of Approved Property, Undeveloped Property or Provisional Property. For Approved Property, Undeveloped Property, or Provisional Property and Special Tax B, “Proportionately” means that the ratio of the actual Special Tax B levy per Acre to the Maximum Special Tax B per Acre is equal for all Assessor’s Parcels of Approved Property, Undeveloped Property, or Provisional Property. “Proportionately” may similarly be applied to other categories of Taxable Property as listed in Section C below.

**“Provisional Property”** means all Assessor’s Parcels of Public Property, Property Owner Association Property, Non-Residential Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section I but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage as set forth in Section I.

**“Public Property”** means any property within the boundaries of CFD No. 2022-1 IA 3, which is owned by, or irrevocably offered for dedication to the federal government, the State of

California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment of Special Tax applicable to the property shown on the Boundary Map of CFD No. 2022-1 IA 3.

**“Remainder Taxes”** means the amount of the annual Special Tax A levy that is not needed to pay for items (i), (ii), (iii), (iv), and (vi) of the definition of the Special Tax Requirement for Facilities.

**“Remainder Taxes Priority”** means that the Remainder Taxes shall be applied as follows and in the following order of priority: (i) to the reimbursement of, or payment to, the Developer for Authorized Facilities in a cumulative amount of \$15,000,000, as set forth in the Acquisition Agreement; and (ii) to the financing of Authorized Facilities not included in subsection (i).

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more Residential Units.

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

**“Single Family Residential Property”** means Residential Property not classified as For-Rent Affordable Property, For-Rent Low-Rise Apartment/Townhome Property, For-Rent Mid-Rise Apartment Property, Low-Rise Apartment/Townhome Property or Mid-Rise Condominium Property.

**“Special Tax”** or **“Special Taxes”** means any special tax levied within CFD No. 2022-1 IA 3 pursuant to the Act and this Rate and Method of Apportionment.

**“Special Tax A”** means the special tax to be levied each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2022-1 IA 3 to fund the Special Tax Requirement for Facilities.

**“Special Tax A Obligation”** means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of CFD No. 2022-1 IA 3.

**“Special Tax B”** means the special tax to be levied each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2022-1 IA 3 to fund the Special Tax Requirement for Services.

**“Special Tax Requirement for Facilities”** means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay a proportionate share of Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds provided that such amounts have not been included in a prior Fiscal Year’s levy; (v) accumulate funds to pay directly for acquisition or construction of Authorized Facilities, provided that the inclusion of such amount does not cause an increase in the Special Tax A to be levied on Approved Property, Undeveloped Property, or Provisional Property; and (vi) pay for reasonably anticipated Special Tax A delinquencies based on the delinquency rate for Special Taxes levied



in the previous Fiscal Year on property in CFD No. 2022-1 IA 3; less (vii) a credit for funds available to reduce the Special Tax A levy, as determined by the CFD Administrator pursuant to the Indenture.

**“Special Tax Requirement for Services”** means that amount required in any Fiscal Year to: (i) pay directly for services in the Calendar Year commencing in such Fiscal Year provided that the amount does not result in a Special Tax B levy on Approved Property and Undeveloped Property that exceeds the Fiscal Deficit for such Fiscal Year; (ii) pay a proportionate share of Administrative Expenses; (iii) pay for reasonably anticipated Special Tax B delinquencies based on the delinquency rate for Special Tax B levied in the previous Fiscal Year on property in CFD No. 2022-1 IA 3; less (iv) a credit for funds available to reduce the Special Tax B levy, as determined by the CFD Administrator.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 2022-1 IA 3, which are not exempt from the levy of the Special Taxes pursuant to law or Section I below.

**“Trustee”** means the trustee or fiscal agent under the Indenture.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Approved Property or Provisional Property.

**“Zone”** means Zone 1 or Zone 2, as applicable.

**“Zone 1”** means the specific geographic area identified as Zone 1 within CFD No. 2020-2 IA 3 as depicted and described on Exhibit B attached to this Rate and Method of Apportionment.

**“Zone 2”** means the specific geographic area identified as Zone 2 within CFD No. 2020-2 IA 3 as depicted and described on Exhibit B attached to this Rate and Method of Apportionment.

## **B. LAND USE CLASSIFICATION**

Each Fiscal Year, beginning with Fiscal Year 2022-23, each Assessor’s Parcel within CFD No. 2022-1 IA 3 shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Approved Property, Undeveloped Property or Provisional Property within Zone 1 or Zone 2, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below. Furthermore, each Assessor’s Parcel of Developed Property shall be assigned to a Land Use Class and land use type based on its Building Square Footage, as applicable.

## **C. SPECIAL TAX RATES**

### **1. Assigned Special Tax A and Maximum Special Tax B for Developed Property**

The Assigned Special Tax A and Maximum Special Tax B applicable to an Assessor’s Parcel classified as Developed Property for the Base Year shall be determined pursuant to Table 1 below.

**Table 1**  
**Base Year Assigned Special Tax A and Maximum Special Tax B**  
**(Fiscal Year 2022-23)**

Land Use Class	Land Use Type	Assigned Special Tax A	Maximum Special Tax B
1	Single Family Residential Property	\$8,841 per Residential Unit	\$1,100 per Residential Unit
2	Low-Rise Apartment/Townhome Property	\$6,364 per Residential Unit	\$770 per Residential Unit
3	Mid-Rise Condominium Property	\$6,771 per Residential Unit	\$660 per Residential Unit
4	For-Rent Low-Rise Apartment/Townhome Property	\$1,048 per Residential Unit	\$550 per Residential Unit
5	For-Rent Mid-Rise Apartment Property	\$1,497 per Residential Unit	\$440 per Residential Unit
6	For-Rent Affordable Residential Property	\$1,248 per Residential Unit	\$330 per Residential Unit
7	Mixed-Use Non-Residential Property	\$1.00 per Square Foot	\$1.00 per Square Foot
8	Neighborhood Retail Property	\$1.00 per Square Foot	\$0.63 per Square Foot

For each subsequent Fiscal Year following the Base Year, the Assigned Special Tax A in Table 1 above shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year, and the Maximum Special Tax B in Table 1 above shall be increased by the percent change in the Consumer Price Index since the prior Fiscal Year but not less than two percent (2%) or greater than six percent (6%).

**2. Backup Special Tax A for Developed Property**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Special Tax A. The Backup Special Tax A for High-Density Residential Property shall be equal to the Assigned Special Tax A. The Backup Special Tax A for an Assessor's Parcel of Developed Property, not classified as High-Density Residential Property, within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2022-23 or such later Fiscal Year in which such Final Map is created, subject to increases as described below.

**(a) Calculation of the Backup Special Tax A**

$$B = \frac{U \times A}{L}$$

The terms above have the following meanings:

- B** = Backup Special Tax A per Lot for the applicable Final Map
- U** = Assigned Special Tax A per Acre of Approved Property or Undeveloped Property for the Fiscal Year the calculation is performed
- A** = Acreage of Taxable Property expected to exist within such Final Map at the time of calculation, as determined by the CFD Administrator
- L** = Number of Lots within the applicable Final Map at the time of calculation

Notwithstanding the foregoing, the Backup Special Tax A for a parcel of Developed Property for which a Certificate of Occupancy has been provided may not be changed.

**(b) Changes to a Final Map**

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Special Tax A for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- (i) Determine the total Backup Special Tax A revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- (ii) The result of paragraph (a) above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- (iii) The result of paragraph b above shall be divided by 43,560. The result is the Backup Special Tax A per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

### **(c) Increase in the Backup Special Tax A**

Each July 1, commencing the July 1 following the initial calculation of the Backup Special Tax A for Developed Property within a Final Map, the Backup Special Tax A for each Lot within such Final Map shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

### **3. Maximum Special Tax A for Developed Property**

The Maximum Special Tax A for Developed Property shall be the greater of the Assigned Special Tax A for Developed Property or the Backup Special Tax A for Developed Property.

### **4. Maximum Special Tax A and Maximum Special Tax B for Provisional Property, Approved Property and Undeveloped Property**

The Base Year Maximum Special Tax A for Provisional Property, Approved Property and Undeveloped Property within Zone 1 shall be \$496,995 per Acre. The Base Year Maximum Special Tax A for Provisional Property, Approved Property and Undeveloped Property within Zone 2 shall be \$37,838 per Acre.

The Base Year Maximum Special Tax B for Approved Property and Undeveloped Property shall be \$121,815 per Acre. In the first Fiscal Year in which the Fiscal Deficit has been determined to be less than or equal to zero, the Base Year Maximum Special Tax B for Approved Property and Undeveloped Property shall be \$0 per Acre in that Fiscal Year and each Fiscal Year thereafter.

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax A rate for Provisional Property, Approved Property and Undeveloped Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year, and the Maximum Special Tax B for Provisional Property, Approved Property and Undeveloped Property shall be increased by the percent change in the Consumer Price Index since the prior Fiscal Year but not less than two percent (2%) or greater than six percent (6%).

## **D. METHOD OF APPORTIONMENT**

### **1. Special Tax A**

For each Fiscal Year, commencing Fiscal Year 2022-23, the CFD Administrator shall levy the Special Tax A on all Taxable Property in accordance with the following steps:

**Step 1:** (a) Through Fiscal Year 2071-72, the Special Tax A shall be levied at the applicable Assigned Special Tax A on each Assessor's Parcel of Developed Property. Any Remainder Taxes shall be applied as set forth in the Remainder Taxes Priority.

(b) After Fiscal Year 2071-72, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Assigned Special Tax A until the Special Tax Requirement for Facilities is met.

**Step 2:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after Step 1 has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Approved Property in an amount up to 100% of the Maximum Special Tax A for Approved Property.

**Step 3:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in an amount up to 100% of the Maximum Special Tax A for Undeveloped Property.

**Step 4:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Special Tax A amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax A for Developed Property.

**Step 5:** If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Provisional Property in an amount up to 100% of the Maximum Special Tax A for Provisional Property.

In the event Building Permits have been issued prior to May 1st of the previous Fiscal Year for one or more Residential Units on a single Assessor's Parcel, causing such Assessor's Parcels to be classified as Developed Property, and the County has not yet assigned final Assessor's Parcel Number(s) to such Residential Unit(s) in accordance with the Final Map applicable to such Assessor's Parcel, the amount of the Special Tax A levy on such Assessor's Parcel shall be determined as follows: (1) the CFD Administrator shall first determine an amount of the Maximum Special Tax A for such Assessor's Parcel, based on the classification of such Assessor's Parcel as Approved Property or Undeveloped Property; (2) the CFD Administrator shall then determine the amount of the Special Tax A levy for the Residential Units on such Assessor's Parcel for which Building Permits have been issued shall be determined based on the Developed Property Assigned Special Tax A rates, and such amount shall be levied as Developed Property in accordance with Step 1 above; and (3) the amount of the Special Tax A on the Taxable Property in such Assessor's Parcel not subject to the Special Tax A levy in clause (2) shall be equal to: (A) the percentage of the Maximum Special Tax A rate levied on all other Approved Property or Undeveloped Property pursuant to Step 2 or 3 above, as applicable, multiplied by the total of the amount determined in clause (1), less (B) the amount determined in clause (2) of this paragraph.

Notwithstanding the above, under no circumstances will the Special Tax A levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax A applicable to any other Assessor's Parcel

within CFD No. 2022-1 IA1 by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

## 2. Special Tax B

For each Fiscal Year, commencing Fiscal Year 2022-23, the CFD Administrator shall levy the Special Tax A on all Taxable Property in accordance with the following steps:

**Step 1:** The Special Tax B shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax B.

**Step 2:** If additional monies are needed to satisfy the Special Tax Requirement for Services after Step 1 has been completed, the Special Tax B shall be levied Proportionately on each Assessor's Parcel of Approved Property in an amount up to 100% of the Maximum Special Tax B for Approved Property.

**Step 3:** If additional monies are needed to satisfy the Special Tax Requirement for Services after the first two steps have been completed, the Special Tax B shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in an amount up to 100% of the Maximum Special Tax B for Undeveloped Property.

In the event Building Permits have been issued prior to May 1st of the previous Fiscal Year for one or more Residential Units on a single Assessor's Parcel, causing such Assessor's Parcels to be classified as Developed Property, and the County has not yet assigned final Assessor's Parcel Number(s) to such Residential Unit(s) in accordance with the Final Map applicable to such Assessor's Parcel, the amount of the Special Tax B levy on such Assessor's Parcel shall be determined as follows: (1) the CFD Administrator shall first determine an amount of the Maximum Special Tax B for such Assessor's Parcel, based on the classification of such Assessor's Parcel as Approved Property or Undeveloped Property; (2) the CFD Administrator shall then determine the amount of the Special Tax B levy for the Residential Units on such Assessor's Parcel for which Building Permits have been issued shall be determined based on the Developed Property Assigned Special Tax B rates, and such amount shall be levied as Developed Property in accordance with Step 1 above; and (3) the amount of the Special Tax B on the Taxable Property in such Assessor's Parcel not subject to the Special Tax B levy in clause (2) shall be equal to: (A) the percentage of the Maximum Special Tax B rate levied on all other Approved Property or Undeveloped Property pursuant to Step 2 or 3 above, as applicable, multiplied by the total of the amount determined in clause (1), less (B) the amount determined in clause (2) of this paragraph.

## E. COLLECTION OF SPECIAL TAXES

Collection of the Special Taxes shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Special Taxes shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the Council may provide for (i) other means of collecting the Special Taxes,

including direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Special Taxes.

## **F. PREPAYMENT OF SPECIAL TAX A OBLIGATION**

The following definition applies to this Section F:

**“CFD Public Facilities Costs”** means \$81 million or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the Authorized Facilities to be financed under the Act and financing program for CFD No. 2022-1 IA 3, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds) in CFD No. 2022-1 IA 3.

**“Construction Fund”** means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the Authorized Facilities.

**“Future Facilities Costs”** means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund or from Special Tax A to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund or other fund holding Special Tax A that is available to finance the CFD Public Facilities Costs, and (iii) monies currently on deposit in an escrow or other designated fund of CFD No. 2022-1 IA 3 that are expected to be available to finance CFD Public Facilities Costs. The amount of Future Facilities Costs may not be less than \$0.

**“Outstanding Bonds”** means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax A prepayments.

**“Previously Issued Bonds”** means all Bonds that have been issued prior to the date of prepayment.

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

Property owners may prepay and permanently satisfy the Special Tax A Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The Special Tax B obligation may not be prepaid.

The Special Tax A Obligation applicable to an Assessor’s Parcel of Developed Property, Approved Property, or Undeveloped Property that has been included in a Final Map may be 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 with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel eligible to prepay the Special Tax A Obligation shall provide the CFD Administrator with written notice of intent to prepay and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor’s Parcel within thirty (30) days of the request and may charge a reasonable fee for providing this service. Prepayment must

be made at least 60 days prior to any redemption date for Outstanding Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Trustee and the City.

The Prepayment Amount shall be calculated for each applicable Assessor’s Parcel or group of Assessor’s Parcels 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
<u>less</u>	<u>Capitalized Interest Credit</u>
Equals:	Prepayment Amount

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

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.
2. For Assessor’s Parcel of Developed Property, compute the Maximum Special Tax A for the Assessor’s Parcel as though all Assessor’s Parcels of Taxable Property within CFD No. 2022-1 IA 3 have been built out. 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, 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 estimated total amount of Special Tax A that could be levied at build out of all Assessor’s Parcels of Taxable Property based on the applicable Maximum Special Tax A for all such Assessor’s Parcels of Taxable Property not including any Parcels for which the Special Tax A Obligation has been previously prepaid.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the “Bond Redemption Amount”).
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the “Redemption Premium”).
6. Determine the Future Facilities Costs.
7. Multiply the quotient derived pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to determine the portion of the Future Facilities Costs applicable to the 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 A prepayments.
9. Determine the Special Tax A amount 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 associated with the prepayment, including the cost to invest the Prepayment Amount, the cost of redeeming the Outstanding Bonds, and the cost of recording notices to evidence the prepayment of the Special Tax A Obligation for the 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. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").
15. The amount to prepay the Special Tax A Obligation 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 and the Capitalized Interest Credit.
16. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds or make Debt Service payments. The Future Facilities Amount shall be deposited into the Construction Fund. The Administrative Fees and Expenses shall be retained by CFD No. 2022-1 IA 3.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of Outstanding Bonds. In such cases, the increment above \$5,000 or integral

multiple thereof will be retained in the appropriate fund established under the Indenture to redeem Outstanding Bonds to be used with the next prepayment of Outstanding Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax A Obligation is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax A and the release of the Special Tax A lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay the Special Tax A shall cease.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

## 2. Partial Prepayment

The Special Tax on an Assessor's Parcel of Developed Property, Approved Property, or Undeveloped Property may be partially prepaid. The amount of the prepayment shall be calculated as in Section F.1; except that a "Partial Prepayment Amount" shall be calculated according to the following formula:

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

The terms above have the following meanings:

**PP** = The Partial Prepayment Amount

**PE** = The Prepayment Amount calculated according to Section F.1

**F** = The percentage of the Special Tax A Obligation that the owner of the Assessor's Parcel(s) is partially prepaying

**A** = The Prepayment Administrative Fees and Expenses from Section F.1

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax A Obligation, (ii) the percentage by which the Special Tax A Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax A Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section F.1, and (ii) indicate in the records of CFD No. 2022-1 IA1 that there has been a partial prepayment of the Special Tax A Obligation and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the Maximum Special Tax A, shall continue to be levied on such Assessor's Parcel.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less Administrative Expenses that may be

levied on Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

The Special Tax B may not be prepaid.

## G. SPECIAL TAX REDUCTION

The following definitions apply to this Section G:

**“Base Price”** means, with respect to the Residential Units in each Plan Type as of the date of the applicable Price Point Study, the base price of such Residential Units as estimated by the Price Point Consultant, excluding potential appreciation, premiums, options, or upgrades, based upon their actual or expected characteristics, such as living area, view, or lot size.

**“Plan Type”** means a discrete residential plan type, generally consisting of Residential Units that share a common product type (e.g. detached, attached or cluster) and that have nearly identical amounts of living area, that is constructed or expected to be constructed within CFD No. 2022-1 IA 3, as identified in the Price Point Study.

**“Price Point Consultant”** means any consultant or firm of such consultants selected by CFD No. 2022-1 IA 3 that (a) has substantial experience in performing price point studies or otherwise estimating or confirming pricing for Residential Units within community facilities districts; (b) is well-versed in analyzing economic and real estate data that relate to the pricing of Residential Units in community facilities districts; (c) is independent and not under the control of CFD No. 2022-1 IA 3, the City, or the developer; (d) does not have any substantial interest, direct or indirect, with or in CFD No. 2022-1 IA 3, the City, any owner of real property within CFD No. 2022-1 IA 3, or any real property in CFD No. 2022-1 IA 3; and (e) is not connected with CFD No. 2022-1 IA 3 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2022-1 IA 3 or the City.

**“Price Point Study”** means a price point study or a letter updating a previous price point study which (a) has been prepared by the Price Point Consultant; (b) sets forth the Plan Types constructed or expected to be constructed within CFD No. 2022-1 IA 3; (c) sets forth the estimated number of constructed and expected Residential Units for each Plan Type; (d) sets forth estimates of the Base Price for each Plan Type; and (e) uses a date for estimating such Base Prices that is no earlier than 30 days prior to the date the Price Point Study is delivered to the CFD Administrator, pursuant to this Section G.

**“Total Effective Tax Rate”** means, for a Plan Type, the Total Tax Burden for such Plan Type divided by the Base Price for such Plan Type, converted to a percentage.

**“Total Effective Tax Rate Limit”** means 2.00%.

**“Total Tax Burden”** means, with respect to a Plan Type, for the Fiscal Year for which the calculation is being performed, the sum of the Assigned Special Tax, estimated *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges levied or imposed on Residential Units of such Plan Type in CFD No. 2022-1 IA 3 in such Fiscal Year or that would have been levied or imposed on all such Residential Units had they been subject to such levies (excluding

homeowners' association dues and Property Assessed Clean Energy (PACE) charges imposed pursuant to AB 811 or SB 555).

Prior to the issuance of the first series of Bonds for CFD No. 2022-1 IA 3, the following steps shall be taken for each Land Use Class of for-sale Residential Property in CFD No. 2022-1 IA 3 for evaluating the Special Tax A:

1. At least 30 days prior to the issuance of the first series of Bonds for CFD No. 2022-1 IA 3, a Price Point Study shall be completed and delivered to the CFD Administrator.
2. The CFD Administrator shall determine the Total Tax Burden and Total Effective Tax Rate for each Plan Type in CFD No. 2022-1 IA 3.
3. Separately, for each Land Use Class of for-sale Residential Property in CFD No. 2022-1 IA 3, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to the Total Effective Tax Rate Limit.
  - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to the Total Effective Tax Rate Limit, then there shall be no change in Special Tax A rate for such Land Use Class in CFD No. 2022-1 IA 3.
  - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class is greater than the Total Effective Tax Rate Limit, the CFD Administrator shall calculate a revised Assigned Special Tax A rate that does not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed the Total Effective Tax Rate Limit and assign the revised Assigned Special Tax A rate to the Land Use Class.
4. If the Assigned Special Tax A for any Land Use Class is revised pursuant to Step 3b above, the CFD Administrator shall calculate a revised Backup Special Tax A rate for each applicable Final Map within CFD No. 2022-1 IA 3. The revised Backup Special Tax A for each applicable Final Map shall be an amount (rounded to the nearest whole dollar) calculated pursuant to the formula below:

$$\mathbf{RBST} = \mathbf{BST} \times \left(1 + \frac{\mathbf{RAST} - \mathbf{AST}}{\mathbf{AST}}\right)$$

The terms above have the following meanings:

**RBST** = Revised Backup Special Tax A

**BST** = The Backup Special Tax A for the Final Map, as set forth in Section C.2.

**RAST** = The total estimated Assigned Special Tax A levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD No. 2022-1 IA 3, including any reduced Assigned Special Tax A amounts resulting from the calculations in Step 3b above.

**AST** = The total estimated Assigned Special Tax A levy for all Land Use Classes of Developed Property in the Final Map, assuming buildout of CFD NO. 2022-1 IA 3 based on the Assigned Special Tax A rates in effect prior to the reduction, pursuant to steps 3a and 3b.

5. If the Assigned Special Tax A for any Land Use Class is revised pursuant to Step 3b above, the CFD Administrator shall also prepare and execute a Certificate to Amend the Special Tax substantially in the form of Exhibit "A" hereto and shall deliver such Certificate to Amend the Special Tax for CFD No. 2022-1 IA 3. The Certificate to Amend the Special Tax shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax A for a Land Use Class as calculated pursuant to step 3b, or (ii) the Assigned Special Tax A as identified in Table 1 of Section C for a Land Use Class that was not revised as determined pursuant to step 3a; as well as either (i) the revised Backup Special Tax A as calculated pursuant to Step 4, or (ii) the Backup Special Tax A as identified in Section C.2 that was not revised as determined pursuant to step 4 above.
6. If the anticipated date of issuance for the first series of Bonds is within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 2022-1 IA 3 shall execute the acknowledgement on such Certificate to Amend the Special Tax dated as of the closing date of such Bonds, and upon the closing of such first series of Bonds, the Assigned Special Tax A for each Land Use Class and the Backup Special Tax shall be as set forth in such Certificate to Amend the Special Tax. If the date of issuance of the first series of Bonds is not within 180 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate to Amend the Special Tax shall not be acknowledged by CFD No. 2022-1 IA 3 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently a first series of Bonds is expected to be issued, at least 30 days prior to that expected date, steps 1 through 5 of this section shall be performed based on a new Price Point Study.
7. After the execution by CFD No. 2022-1 IA 3 of the acknowledgment on the Certificate to Amend the Special Tax, CFD No. 2022-1 IA 3 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for CFD No. 2022-1 IA 3 reflecting the Assigned Special Tax A and the Backup Special Tax A for CFD No. 2022-1 IA 3 set forth in such Certificate to Amend the Special Tax.
8. If the Assigned Special Tax A is not required to be changed for any Land Use Class based on the calculations performed under Step 3 above, there shall be no reduction in the Assigned Special Tax A or Backup Special Tax A, and no Certificate to Amend the Special Tax shall be required.

#### **H. TERM OF SPECIAL TAX**

The Special Tax A shall be levied as long as necessary to meet the Special Tax Requirement for Facilities for a period not to exceed sixty (60) Fiscal Years commencing with Fiscal Year 2022-23, provided however that the Special Tax may cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on all Outstanding Bonds have been paid.

The Special Tax B shall be levied in perpetuity as necessary to satisfy the Special Tax Requirement for Services.

## **I. EXEMPTIONS**

The CFD Administrator shall classify as Exempt Property (i) Assessor's Parcels of Public Property, (ii) Assessor's Parcels of Property Owner Association Property, or (iii) 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, and (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement as determined reasonably by the CFD Administrator, provided that no such classification in (i) through (iv), inclusive, would reduce the sum of all Taxable Property in CFD No. 2022-1 IA 3 to less than 9.48 Acres. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property in CFD No. 2022-1 IA 3 to less than 9.48 Acres shall be classified as Provisional Property and will continue to be subject to the CFD No. 2022-1 IA 3 Special Taxes accordingly. Tax exempt status for the purpose of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes eligible for classification as Exempt Property.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section I above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

## **J. APPEALS**

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation, the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,
- (ii) Require the CFD to reimburse the landowner for the amount of the overpayment to the extent of available CFD funds, or
- (iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the Council. Upon the receipt of such notice, the Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

## **K. INTERPRETATIONS**

The Council or designee thereof shall interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the Council or designee shall be final.

**EXHIBIT A**  
**CERTIFICATE TO AMEND THE SPECIAL TAX**  
**CITY OF RICHMOND**  
**COMMUNITY FACILITIES DISTRICT NO. 2022-1 (POINT MOLATE)**  
**IMPROVEMENT AREA NO. 3**  
**TAX REDUCTION CERTIFICATE**

1. Pursuant to Section G of the Rate and Method of Apportionment for Improvement Area No. 3 of City of Richmond Community Facilities District No. 2022-1 (Point Molate) (the “RMA”), as attached to the Notice of Special Tax Lien, recorded in the Official Records of the County of Contra Costa as Instrument No. \_\_\_\_\_ on \_\_/\_\_/\_\_\_\_, the City of Richmond (the “City”) hereby reduces the Assigned Special Tax A rates for Developed Property within CFD No. 2022-1 IA 3 set forth in Table 1 of the RMA.
2. The calculations made pursuant to Section G were based upon a Price Point Study that was received by the CFD Administrator on \_\_/\_\_/\_\_\_\_\_.
3. The Information in Table 1 relating to the Assigned Special Tax A for Developed Property within CFD No. 2022-1 IA 3 shall be amended and restated as shown in Table A-1 below:

Land Use Class	Land Use Type	Assigned Special Tax A
1	Single Family Residential Property	\$[     ] per Residential Unit
2	Low-Rise Apartment/Townhome Property	\$[     ] per Residential Unit
3	Mid-Rise Condominium Property	\$[     ] per Residential Unit
4	For-Rent Low-Rise Apartment/Townhome Property	\$[     ] per Residential Unit
5	For-Rent Mid-Rise Apartment Property	\$[     ] per Residential Unit
6	For-Rent Affordable Residential Property	\$[     ] per Residential Unit
7	Mixed-Use Non-Residential Property	\$[     ] per Square Foot
8	Neighborhood Retail Property	\$[     ] per Square Foot

4. The Backup Special Tax A for an Assessor’s Parcel of Developed Property shall equal \$[     ] per Acre for each Final Map as shown in Table A-2 below:
5. On each July 1, commencing on July 1, \_\_\_\_\_, the Assigned Special Tax A rates in Table A-1 and the Backup Special Tax A rates in 4 above shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.



6. Upon execution of the certificate by the City and CFD No. 2022-1 IA 3, the City shall cause an amended Notice of Special Tax Lien for CFD No. 2022-1 IA 3 to be recorded reflecting the modifications set forth herein.

Submitted:

CFD ADMINISTRATOR

By: \_\_\_\_\_

Date: \_\_\_\_\_

By execution hereof, the undersigned acknowledges on behalf of CFD No. 2022-1 IA 3, receipt of this certificate and modification of the RMA as set forth in this certificate.

Improvement Area No. 3 of City of Richmond Community Facilities District No. 2022-1 (Point Molate).

By: \_\_\_\_\_

Date: \_\_\_\_\_



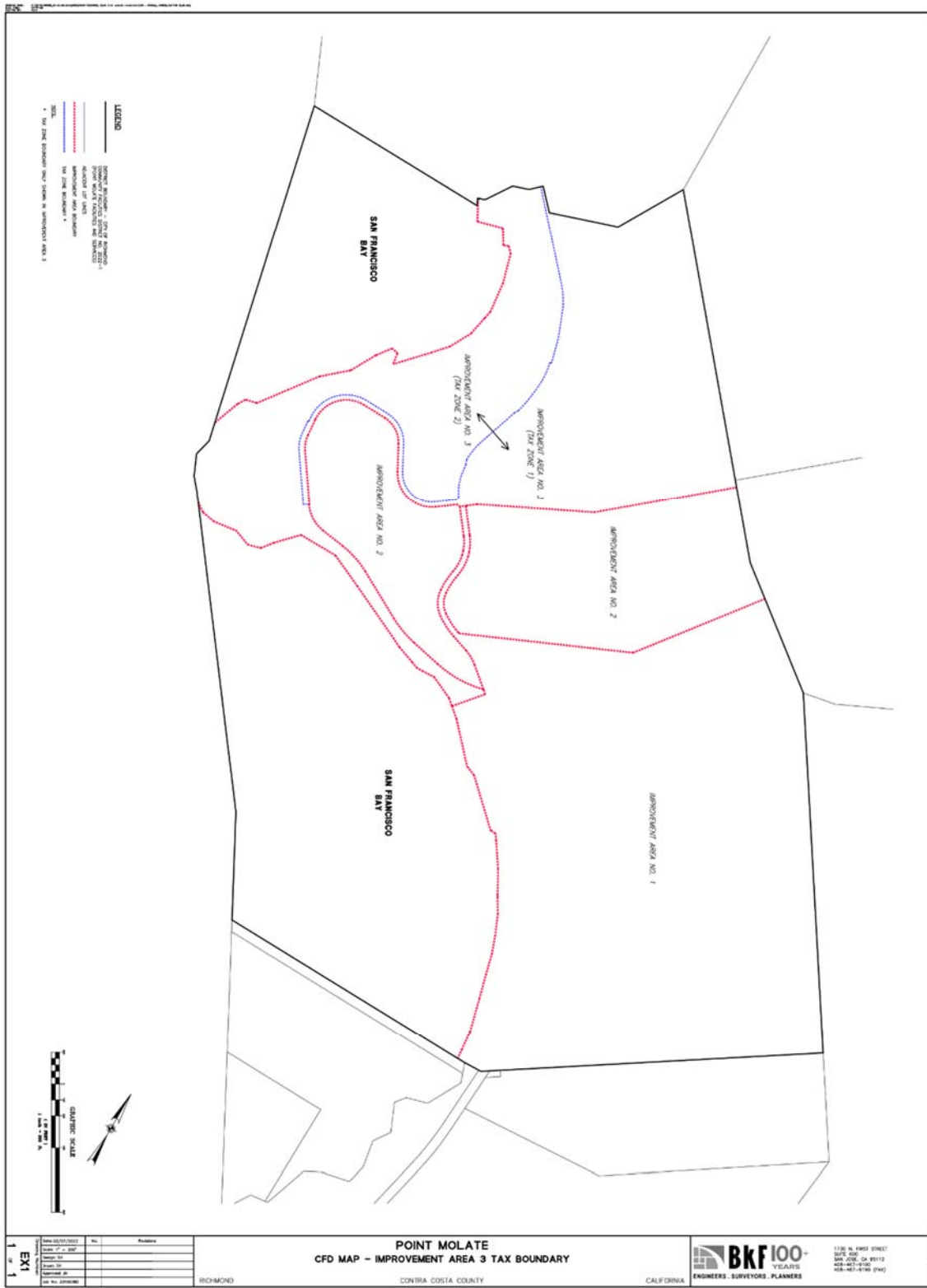
**EXHIBIT B**

**ZONE DESCRIPTIONS**

**CITY OF RICHMOND**

**COMMUNITY FACILITIES DISTRICT NO. 2022-1 (POINT MOLATE)**

**IMPROVEMENT AREA NO. 3**



**City of Richmond CFD No. 2022-1 Improvement Area 3, Tax Zone 1:**

The land referred to herein is situated in the City of Richmond, Contra Costa County, State of California, and is described as follows:

Being all of Disposal Area 11, and a portion of Disposal Areas 1 and 2, as described in that certain Quitclaim Deed, recorded September 30, 2003, as Document Number 2003-0489200, Official Records of Contra Costa County, more particularly described as follows:

COMMENCING at the corner common to Disposal Areas 1 and 7, at a found 6-inch concrete monument with brass pin as shown on the Record of Survey filed for record February 12, 1985, in Book 76 of Licensed Land Surveyor's Maps at page 29 (76 LSM 29), Contra Costa County Records;

Thence along the easterly line of said Disposal Area 1, North 52°31'27" West, 881.77 feet to a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);

Thence continuing along said easterly line, North 40°27'17" West, 483.42 feet to the POINT OF BEGINNING; Thence leaving said easterly line, the following 26 Courses:

- 1) South 49°32'42" West, 907.33 feet;
- 2) South 63°39'26" West, 734.51 feet;
- 3) South 52°02'09" West, 112.90 feet;
- 4) North 81°55'00" West, 21.66 feet;
- 5) North 36°29'24" West 32.00 feet;
- 6) North 08°56'12" East 21.20 feet to the beginning of a non-tangent curve to the right having a radius of 321.00 feet, from which the center bears North 54°22'04" East;
- 7) Northerly along said curve, through a central angle of 21°45'44", an arc length of 121.92 feet to a point of compound curvature having a radius of 471.00 feet;
- 8) Along said curve, through a central angle of 10°56'24", and arc length of 89.93 feet;
- 9) North 14°51'31" West 33.33 feet to the beginning of a non-tangent curve to the right having a radius of 479.00 feet from which the center bears South 89°01'35" East;
- 10) Northerly along said curve, through a central angle of 17°38'40", an arc length of 147.51 feet;
- 11) North 18°37'04" East 217.13 feet to the beginning of a tangent curve to the left having a radius of 1071.00 feet;
- 12) Along said curve, through a central angle of 2°48'02", an arc length of 52.35 feet;

- 13) North 24°32'51" East 30.21 feet to the beginning of a tangent curve to the left having a radius of 1076.00 feet;
- 14) Along said curve, through a central angle of 11°59'07", an arc length of 225.08 feet to the beginning of a compound curve having a radius of 476.00 feet;
- 15) Along said curve, through a central angle of 16°37'44", an arc length of 138.15 feet;
- 16) North 75°36'46" East, 11.00 feet to the beginning of a non-tangent curve to the left having a radius of 487.00 feet from which the center bears South 75°36'46" West;
- 17) Northerly along said curve, through a central angle of 0°25'37", an arc length of 3.63 feet;
- 18) North 14°48'51" West, 127.36 feet to the beginning of a tangent curve to the left having a radius of 487.00 feet;
- 19) Along said curve, through a central angle of 06°53'29", an arc length of 58.58 feet;
- 20) North 21°42'20" West, 155.12 feet to the beginning of a tangent curve to the left having a radius of 437.00 feet;
- 21) Along said curve, through a central angle of 04°26'23", an arc length of 33.86;
- 22) South 47°51'31" West, 3.12 feet to the beginning of a non-tangent curve to the left having a radius of 434.00 feet from which the center bears South 63°58'06" West;
- 23) Northerly along said curve, through a central angle of 16°13'15", an arc length of 122.87 feet;
- 24) North 42°15'09" West, 598.77 feet to the beginning of a tangent curve to the right having a radius of 2016.00 feet;
- 25) Northerly along said curve, through a central angle of 00°55'33", an arc length of 32.58 feet to a point on the northerly line of Disposal Area 2
- Thence along the northerly lines of Disposal Area 2 and 1, the following 5 courses:
- 1) North 46°25'17" East, 15.23 feet;
  - 2) South 43°32'17" East, 172.14 feet;
  - 3) North 71°22'13" East, 440.41 feet to a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);
  - 4) North 29°53'00" East, 471.52 feet to the most northerly corner, monumented by a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);
  - 5) South 40°27'17" East, 1,900.32 feet to the POINT OF BEGINNING.

Containing an area of 48.916 acres, more or less.

The basis of bearings for this description is based upon the California Coordinate System of 1983, CCS83, Zone 3, Epoch 2017.50, in accordance with California Public Resources Code Sections 8801-8819; said coordinates are based locally upon field-observed ties relative to California Spatial Reference Network Station p181. Distances are grid based. Divide by a combined scale factor of 0.99993778 to obtain ground distances.

**City of Richmond CFD No. 2022-1 Improvement Area 3, Tax Zone 2:**

The land referred to herein is situated in the City of Richmond, Contra Costa County, State of California, and is described as follows:

Being all of Disposal Area 12, and a portion of Disposal Areas 1 and 2, as described in that certain Quitclaim Deed, recorded September 30, 2003, as Document Number 2003-0489200 (2003-0489200), Official Records of Contra Costa County, also being portion of Disposal Areas 3 and 13, as described in that certain Quitclaim Deed, recorded March 29, 2010, as Document Number 2010-0060367 (2010-0060367), Official Records of Contra Costa County, more particularly described as follows:

COMMENCING at the corner common to Disposal Areas 1 and 7 (2003-0489200), at a found 6-inch concrete monument with brass pin as shown on the Record of Survey, filed for record February 12, 1985, in Book 76 of Licensed Land Surveyor's Maps at page 29 (76 LSM 29), Contra Costa County Records;

Thence along the easterly line of said Disposal Area 1 (2003-0489200), North 52°31'27" West, 881.77 feet to a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);

Thence continuing along said easterly line, North 40°27'17" West, 483.42 feet; Thence leaving said easterly line, the following 4 courses:

- 1) South 49°32'42" West, 907.33 feet;
- 2) South 63°39'26" West, 734.51 feet;
- 3) South 52°02'09" West, 112.90 feet;
- 4) North 81°55'00" West, 21.66 feet to the POINT OF BEGINNING;

Thence the following 21 courses:

- 1) South 53°30'36" West, 135.52 feet to the beginning of a tangent curve to the right having a radius of 216.00 feet;
- 2) Along said curve, through a central angle of 98°10'09", an arc length of 370.09 feet;
- 3) North 28°19'16" West, 177.39 feet to the beginning of a tangent curve to the left having a radius of 184.00 feet;
- 4) Along said curve, through a central angle of 60°11'38", an arc length of 193.31 feet;

- 5) North 88°30'54" West, 151.10 feet to the beginning of a tangent curve to the left having a radius of 214.00 feet;
- 6) Along said curve, through a central angle of 96°34'00", an arc length of 360.68 feet;
- 7) South 05°04'54" East, 111.85 feet to the beginning of a tangent curve to the left having a radius of 184.00 feet;
- 8) Along said curve, through a central angle of 29°49'18", an arc length of 95.77 feet;
- 9) South 34°54'12" East, 340.90 feet;
- 10) South 55°05'48" West, 3.00 feet to the beginning of a non-tangent curve to the left having a radius of 237.00 feet from which the center bears North 55°05'48" East;
- 11) Along said curve, through a central angle of 47°18'32", an arc length of 195.69 feet;
- 12) South 82°12'45" East, 152.36 feet to the beginning of a tangent curve to the right having a radius of 613.00 feet;
- 13) Along said curve, through a central angle of 20°33'41", an arc length of 219.98 feet;
- 14) South 61°39'04" East, 339.82 feet to the beginning of a tangent curve to the left having a radius of 687.00 feet;
- 15) Along said curve, through a central angle of 16°36'18", an arc length of 199.10 feet;
- 16) South 78°15'23" East, 202.54 feet to the beginning of a tangent curve to the left having a radius of 717.00 feet;
- 17) Along said curve, through a central angle of 25°53'29", an arc length of 324.00 feet to a point of compound curvature having a radius of 10.00 feet;
- 18) Along said curve, through a central angle of 30°21'58" an arc length of 5.30 feet;
- 19) South 50°14'43" East, 9.21 feet to the beginning of a tangent curve to the right having a radius of 2,378.00 feet;
- 20) Along said curve, through a central angle of 00°35'41", an arc length of 24.68 feet;
- 21) South 40°03'08" West, 220.75 feet to the Mean High-Water Line on the San Francisco Bay, as described in said Documents (2003-0489200) and (2010-0060367);

Thence along said Mean High-Water Line, the following meandered courses:

- 1) North 50°08'38" West, 59.75 feet;
- 2) North 65°40'23" West, 159.02 feet;
- 3) South 87°05'08" West, 81.89 feet;
- 4) South 88°40'35" West, 43.41 feet;



- 5) North 69°08'13" West, 41.08 feet;
- 6) North 70°31'40" West, 130.72 feet;
- 7) North 63°38'53" West, 63.02 feet;
- 8) North 65°08'48" West, 394.97 feet;
- 9) North 65°45'40" West, 239.27 feet;
- 10) North 89°37'59" West, 251.39 feet;
- 11) South 43°41'43" West, 176.37 feet;
- 12) South 37°41'46" West, 89.58 feet;
- 13) South 74°10'57" West, 84.01 feet;
- 14) North 69°51'46" West, 114.32 feet;
- 15) South 82°04'52" West, 150.24 feet;
- 16) North 80°48'14" West, 89.92 feet;
- 17) North 55°02'10" West, 73.24 feet;
- 18) North 37°12'35" West, 71.03 feet;
- 19) North 40°46'35" West, 92.69 feet;
- 20) North 23°46'35" West, 141.02 feet;
- 21) North 14°13'25" East, 112.55 feet;
- 22) North 12°54'43" West, 120.77 feet;
- 23) North 20°19'07" East, 184.00 feet;
- 24) North 31°36'12" East, 56.23 feet;
- 25) North 76°07'01" East, 74.51 feet;
- 26) North 36°37'57" East, 423.76 feet;
- 27) North 48°37'33" East, 202.39 feet;
- 28) North 28°47'25" East, 184.87 feet;
- 29) North 37°00'56" East, 110.11 feet;
- 30) South 78°46'11" East, 44.55 feet;
- 31) South 09°20'11" East, 73.63 feet;
- 32) North 42°49'56" East, 247.64 feet;
- 33) North 41°28'20" East, 125.88 feet;
- 34) North 28°14'49" East, 152.33 feet;
- 35) North 11°26' 02" East, 185.60 feet;

- 36) North 06°29'48" West, 193.39 feet;
- 37) North 15°39'08" West, 190.81 feet;
- 38) North 43°11'00" West, 50.36 feet;
- 39) South 67°31'03" West, 34.66 feet;
- 40) North 31°52'36" West, 111.69 feet;
- 41) South 74°18'01" West, 165.85 feet;
- 42) North 27°56'02" West, 140.61 feet;
- 43) North 29°31'13" East, 7.81 feet to the northerly line of Disposal Area 12 (2003-048200);

Thence leaving said mean high water line, easterly along the northerly line of said Disposal Areas 12 and 2 (2003-048200), the following 4 courses:

- 1) North 71°12'58" East, 37.90 feet to a found 6-inch concrete monument with brass pin as shown on said Record of Survey (76 LSM 29);
- 2) North 33°13'32" East, 192.59 feet to a found 6-inch concrete monument with brass pin as shown on the said Record of Survey (76 LSM 29);
- 3) North 71°40'49" East, 104.55 feet;
- 4) North 46°25'17" East, 76.26 feet to a point on the northerly line of Disposal Area 2 (2003-048200) and the beginning of a non-tangent curve to the left having a radius of 2016.00 feet from which the center bears North 48°40'24" East;

Thence leaving said line thereof, the following 21 courses:

- 1) Southerly along said curve, through a central angle of 00°55'33", an arc length of 32.58 feet;
- 2) South 42°15'09" East, 598.77 feet to the beginning of a tangent curve to the right having a radius of 434.00 feet;
- 3) Along said curve, through a central angle of 16°13'15", an arc length of 122.87 feet;
- 4) South 47°51'31" West, 3.12 feet to the beginning of a non-tangent curve to the right having a radius of 437.00 feet from which the center bears South 63°51'17" West;
- 5) Along said curve, through a central angle of 04°26'23", an arc length of 33.86;
- 6) South 21°42'20" East, 155.12 feet to the beginning of a tangent curve to the right having a radius of 487.00 feet;
- 7) Along said curve, through a central angle of 06°53'29", an arc length of 58.58 feet;

- 8) South 14°48'51" East, 127.36 feet to the beginning of a tangent curve to the right having a radius of 487.00 feet;
- 9) Along said curve, through a central angle of 00°25'37", an arc length of 3.63 feet
- 10) South 75°36'46" West, 11.00 feet to the beginning of a non-tangent curve to the right having a radius of 476.00 feet from which the center bears South 75°36'46" West;
- 11) Along said curve, through a central angle of 16°37'44", an arc length of 138.15 feet to the beginning of a compound curve having a radius of 1076.00 feet;
- 12) Along said curve, through a central angle of 11°59'07", an arc length of 225.08 feet;
- 13) South 25°32'51" West, 30.21 feet to the beginning of a non-tangent curve to the right having a radius of 1071.00 feet from which the center bears North 74°10'58" West;
- 14) Southerly along said curve, through a central angle of 2°48'02", an arc length of 52.35 feet;
- 15) South 18°37'04" West, 217.16 feet to the beginning of a tangent curve to the right having a radius of 479.00 feet;
- 16) Along said curve, through a central angle of 17°38'40", an arc length of 147.51 feet;
- 17) South 14°51'31" East, 33.33 feet to the beginning of a non-tangent curve to the left having a radius of 471.00 feet from which the center bears North 87°04'12" West;
- 18) Southerly along said curve, through a central angle of 105624, 89.93 feet to a point of compound curvature having a radius of 321.00 feet;
- 19) Southerly along said curve, through a central angle of 21°45'44", an arc length of 121.92 feet;
- 20) South 08°56'12" West 21.20 feet;
- 21) South 36°29'24" East, 32.00 feet to the POINT OF BEGINNING.

Containing an area of 43.172 acres, more or less.

The basis of bearings for this description is based upon the California Coordinate System of 1983, CCS83, Zone 3, Epoch 2017.50, in accordance with California Public Resources Code Sections 8801-8819; said coordinates are based locally upon field-observed ties relative to California Spatial Reference Network Station p181. Distances are grid based. Divide by a combined scale factor of 0.99993778 to obtain ground distances.