



May 10, 2023

Town of Truckee
Town Council Members
Mayor Lindsay Romack
Vice Mayor David Polivy
Councilmember Anna Klovstad
Councilmember Jan Zabriskie
Councilmember Courtney Henderson
10183 Truckee Airport Road
Truckee, CA. 96161

Re: Request to Reinstate Local Goals and Policies Allowing the Use of Community Facility District Financing for Eligible Projects

Dear Honorable Mayor and Council Members,

As the project representative for the Coldstream Project (Planned Community 1), I am writing to urge you to reinstate the Local Goals and Policies adopted in Town Resolution 2018-33 which allows Community Facility District (CFD) financing of eligible projects with no financial risk to the Town. Resolution 2018-33 was the result of extensive work between the Town Council and a Public Advisory Committee (PAC) which was formed to develop policies to allow CFD financing. Throughout California (and many other parts of the US), this type of financing structure is essential and a common tool which is used in conjunction with many other forms of financing to help implement projects that require public facilities. Without the availability of CFDs, many projects are not feasible.

As additional background on Resolution 2018-33, the public was engaged in a discussion for well over a year and a half to assess the merits of CFDs. Ultimately, the Town Council determined that the use of CFD financing was a critical tool for financing larger projects and the decision was made to allow its use for projects which provide an extraordinary public benefit. The Town Council proceeded to approve Resolution 2018-33 in November 2018 for an initial term of 3 years, and in that time our project (along with Truckee Railyards and Soaring Ranch) began forming CFDs. Coldstream eventually issued CFD bonds for the first of three project phases, thus enabling development of that phase. The remaining two phases will need CFD financing to proceed.

When the Town Council approved Resolution 2018-33, several carefully crafted requirements were put in place to ensure that the Town benefitted from projects that use CFD financing and that the Town would not be exposed to any financial risk. To summarize, those requirements were as follows:

1. **Extraordinary Public Benefit.** Projects had to deliver an Extraordinary Public Benefit to the Town. Such benefit was required to be valued as at least 20% of the total amount of the financing request. Coldstream's extraordinary public benefit has far exceeded that amount and is discussed further below.
2. **Minimum Project Size.** Projects had to be "significant" in size and scale to use CFD financing. That meant that total project valuation had to be at least \$20M. Coldstream exceeds that requirement by a large margin.
3. **Administrative Controls.** The Town required that an outside entity be used to administer and issue financing so that the Town's administrative and fiscal resources were not diverted. Further, the Town was required to perform a final review before the close of financing to ensure each project was meeting its eligibility requirements. Coldstream performed the final review prior to the issuance of bonds for its first phase of development and will need to do the same prior to the issuance of bonds for Phases 2 and 3.
4. **Geographic Eligibility.** Projects were required to either be within the former redevelopment area boundary of Truckee (RDA Boundary), or if outside the RDA boundary, provide a higher level of public benefit above the 20% mandated. Coldstream is within the RDA boundary.

Our team worked extensively as a member of the Public Advisory Committee "PAC" to help the Town develop those criteria and can attest to their importance when used in conjunction with CFD financing. Following the approval of Resolution 2018-33, our team and Town Staff worked together to form a CFD for Coldstream and successfully issued financing for the first phase of the project. The following represents a general timeline of that process:

- Mid-2017: Initial contact with Town staff regarding the ability to utilize CFD financing of public improvements for the project.
- Mid 2017 – Early 2018: Continued meetings with Town staff to provide information related to CFD financing and pooled programs such as Statewide Community Infrastructure Program (SCIP) and Bond Opportunities for Land Development (BOLD). Notably, those are the programs that manage the CFD financing process for many local governments in California.
- Early 2018 – Late 2018: Stonebridge worked as part of the PAC which consisted of Town staff, past elected officials, community members, development community and BOLD team members to craft Town policies for the use of bond financing through the BOLD program.
- February 2018/May 22, 2018/July 10, 2018: Town Council Workshops on Local Public Infrastructure Financing.
- October 1, 2018: Final Town Council Education Session on Local Public Infrastructure Financing.
- November 13, 2018: Town approves local goals and policies allowing financing of public improvements.
- December 11, 2018: Town becomes a member of the California Municipal Finance Authority (CMFA) and adopts the BOLD program.

- January 22, 2019: Town Council approves the Coldstream BOLD application to fund \$10.7 million in public improvements for the three phases of Coldstream. It's worth noting that although we only have issued financing for the first phase, all phases of the project were approved for funding.
- March 21, 2019: CMFA provides confirmation letter approving use of BOLD financing for the Coldstream project.
- October 25, 2019: CMFA completes formation of the Coldstream CFD.
- June 2021: Improvement Area No. 1 of the Coldstream CFD issues approximately \$2.59 million in bonds through the BOLD program for the first phase of the project.
- Present: Coldstream's remaining two phases (Improvement Area Nos. 2 and 3) remain to be financed and will proceed when market conditions allow.

As you can see, our team has worked diligently and cooperatively with the Town to responsibly structure and use a CFD for Coldstream. As mentioned at the outset, that CFD financing is critical for the redevelopment of the former industrial site which the Town's General Plan designates as a Planned Community. Moreover, the CFD has enabled us to deliver extraordinary public benefits that far exceed the 20% minimum required by the Town's goals and policies. Without CFD financing, it is unlikely that the project would have proceeded, and it would likely have remained as a remnant mining property without any of the public benefits currently provided.

To be specific, the extraordinary public benefits delivered by Coldstream to date include:

1. Significant financial contribution (\$618,000) to the construction of the new Donner Pass Road/Coldstream Road crossing of Donner Creek (as illustrated by **Figure 1**).
2. \$5.7M advance funding (and \$1.3M permanent funding) towards the construction of the Interstate 80/Donner Pass Road Roundabout (as illustrated by **Figure 2**).
3. Major landscape and roadway improvements to Coldstream Road which enhance the western gateway to Truckee (as illustrated by **Figure 3**).
4. Construction of 1,451 feet of Class I (Truckee River Legacy Trail) from the project entry to Donner Memorial State Park (as illustrated by **Figure 4**).
5. Construction of 887 feet of Class I (Truckee River Legacy Trail) from State Route 89 to the project's easterly boundary adjacent to Deerfield Community Church, as well as reconstruction of the commercial entries to the Crossroads Center (as illustrated by **Figure 5**).
6. Provide 13.5% of the transfer fee collected on new home sales to the Town of Truckee. This additional funding can be used by the Town for trail construction and transit throughout the community.

Additionally, the project has provided the additional public benefits to the Town through the development of the project's first phase:

7. 48 affordable housing units which are now fully occupied (as illustrated by **Figure 6**).
8. New transit stop located at the project entry (as illustrated by **Figure 7**).

9. Construction of 5,891 feet of publicly accessible Class I (Truckee River Legacy Trail) within the project area which allows full access to the Truckee River Legacy Trail and connectivity between Donner Memorial State Park and State Route 89 (as illustrated by **Figure 8**).

Coldstream has delivered extraordinary public benefits to the Town of Truckee in a major way – and we were only able to do so because of the availability of CFD financing. The public improvements completed to-date were installed at a significant cost to our company with the expectation that the project will continue to have reliable access to CFD financing for the remaining two project phases. That, we believe, is consistent with how the Town and our team collectively envisioned project buildout when the Town approved Coldstream's CFD. Having already formed the Coldstream CFD for the entire project area and investing substantial sums in infrastructure and improvements, the project is reliant upon completion of the remaining project phases to recover upfront costs. Without CFD financing, however, the project's second and third phases cannot move forward.

We reiterate the need for the Town of Truckee to reinstate the CFD policies previously enacted with Resolution 2018-33 so that this commonly used financing tool can remain available – at no financial risk to the Town. We are happy to discuss further and assist in any way that we can.

Best regards,

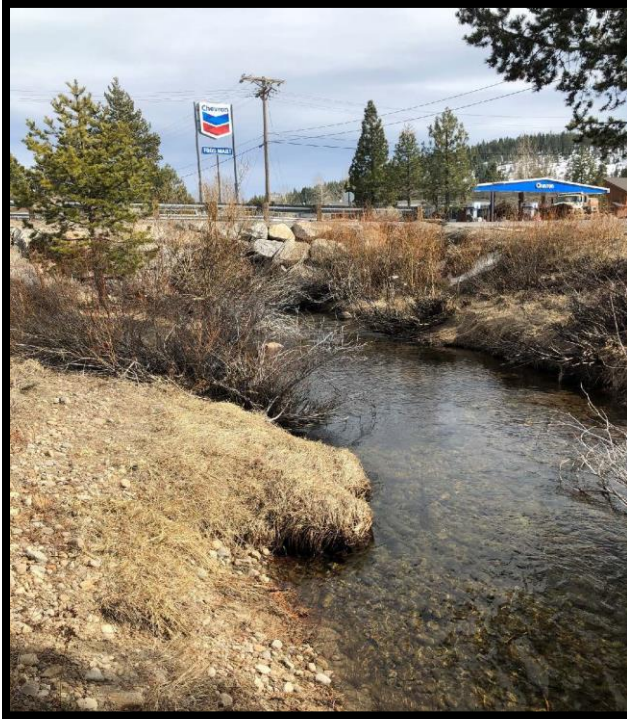


Michael Isle, AICP
Director of Planning and Development
Teichert Land Co./Stonebridge Properties

cc: Jen Callaway, Town of Truckee
Judy Price, Town of Truckee
Becky Bucar, Town of Truckee
Dan Wilkins, Town of Truckee
Andy Morris, Town of Truckee
Denyelle Nishimori, Town of Truckee
Randy Sater, Stonebridge Properties

COLDSTREAM COMMUNITY BENEFIT FIGURES

FIGURE 1
(Donner Pass Road/Coldstream Road Culvert Replacement Project)



Pre-Coldstream Project



Post-Coldstream Project

FIGURE 2
(Interstate 80/Donner Pass Road Roundabout)



FIGURE 3
(Coldstream Road Major Improvements)



Pre-Coldstream Project Facing South



Post-Coldstream Project Facing South

FIGURE 4
(Truckee River Legacy Trail Segment from Project Entry to Donner Memorial State Park)



Class 1 Trail Facing West



Class 1 Trail Facing West toward DMSP along Donner Pass Road

FIGURE 5
(Truckee River Legacy Trail Segment from Project Entry to State Route 89)



Class 1 Trail Facing West adjacent to Truckee Crossroads



Class 1 Trail Facing West towards Deerfield Community Church along Deerfield Drive

FIGURE 6
(Coldstream Commons Affordable Housing)



48 Units of Affordable Housing Adjacent to Trails and Transit

FIGURE 7
(New Transit Stop at Coldstream Road Project Entry)



New Transit Stop Constructed by the Coldstream Project Adjacent to the Project Entry and
Coldstream Commons Affordable Housing Project

FIGURE 8
(On-Site Class I Truckee River Legacy Trail)





LOJA REAL ESTATE, LLC

2099 Mt. Diablo Blvd, Suite 200

Walnut Creek, CA 94596

+1.925.951.0632 Direct

May 1, 2023

Town of Truckee, Town Council
c/o Dan Wilkins
Town of Truckee - Public Works Director/Town Engineer

Re: Truckee Railyard – CFD Infrastructure Financing

Dear Town Council:

This letter is in regard to the approval of CFD Infrastructure Financing for our Truckee Railyard project. It is our understanding that the local goals and policies that allowed for CFD infrastructure financing expired in 2021 and are now currently before the Council for review to extend the policy for projects that have been previously approved under the prior policy.

Truckee Development Associates respectfully requests that the policy, which was unanimously approved by the Town Council in 2018, be extended for the Truckee Railyard project as all of the infrastructure for public benefit was installed prior to expiration of the policy and is critical to the overall success of the Truckee Railyard project. Our CFD was formed in 2020, and Truckee Railyard was requesting at that time the issuance of the bonds but were by the Town to wait to request for the bonds to be issued as vertical construction hadn't commenced yet on-site. Although we were concerned about changing market conditions that could occur if we waited, we accepted the guidance from the Town and delayed our request for bond issuance.

Truckee Railyard is a critical project for the advancement of the Town's future needs as it meets the stated Council goals of actively supporting the development of workforce housing, inclusion of the future home of the Truckee Transit Center which will reduce greenhouse gas emissions and is investment in key infrastructure for community connectivity. The Town of Truckee and Truckee Development Associates have formed a strong public/private partnership that's goal is to meet the needs of the community, and an important component of the success of the project for TDA is securing partial reimbursement for the massive infrastructure support that has been put in place to serve the needs of the Town of Truckee.

We respectfully request that you extend the approval for CFD Infrastructure Financing for this prior approved project for a time period that will allow us to finalize bond issuance, which can occur as soon as the Town approves us to do so.

May 1, 2023
Page 2

We are available to discuss further at your request and are here to answer any question you may have.

Sincerely,



Scott Kyman
Senior Vice President, Acquisitions
Loja Real Estate

cc: Tom Engberg – Loja Real Estate
Rick Holliday – Truckee Development Associates
Kevin Brown – Truckee Development Associates
Jason Hansford – Truckee Development Associates



JMA Holdings, LLC
P.O. Box 217
Truckee, CA. 96160

Physical Address
10001 Soaring Way, Suite 140B
Truckee, CA. 96161

May 1, 2023

Jen Callaway
Town Manager
Town of Truckee
10183 Truckee Airport Road
Truckee, CA 96161

Re: Local Goals and Policies for Community Facilities Districts

Dear Ms. Callaway:

The undersigned representative of J-Mar 1, LLC ("Developer") and the Soaring Ranch project ("Project") is requesting the Town of Truckee ("Town") pursue an update to the Local Goals and Policies for Community Facilities District's ("CFD Policies") adopted pursuant to Resolution 2015-53. The Developer envisions any updated CFD Policies would be similar to those adopted by Resolution 2018-33 which allowed development projects to pursue CFD bond financing for public infrastructure subject to specific requirements. The CFD bond would be administered by the California Municipal Finance Authority's ("CMFA") Bond Opportunities for Land Development ("BOLD") program. The BOLD program was selected by the Town as part of the CFD policies approved under Resolution 2018-53. These requirements included the provision of extraordinary public benefit which was defined as:

1. Public infrastructure constructed in connection with the provision of desired affordable or workforce housing. This infrastructure is in addition to that required for the project and benefits the Town or the community, as determined by the Town Council.
2. Off-site improvements for extending or adding capacity for storm drainage, road widening, intersection improvements, trails, and bikeways, or other regional types of improvements, which are in addition to those required for the project for which financing is sought and which benefit the Town or the community, as determined by the Town Council.
3. Provision of significant locals or affordable housing, beyond that required as part of the required inclusionary and workforce housing for a project.
4. Enhancement of regional public transportation, again, beyond what is required by the project nexus.
5. Dedication of land (in excess of the dedication required in connection with the project for which financing is sought) for a public purpose, as determined by the Town Council, such as open space.
6. Development of recreational improvements and/or development to increase the scenic or aesthetic appearance of an area, in excess of improvements required in connection with the project for which financing is sought.

7. Environmentally beneficial activities over and above those required for project approval. Examples of such environmental benefits are: the acquisition, restoration, or preservation of wetlands (or other significant ecological habitats); the provision of recreational trails or bikeways, and significant open space features.
8. A project that brings in significant State or Federal (or NGO) grant funding to support any or all of the above infrastructure, housing, or other community benefits. Significant shall mean at least 50% of the requested public financing.

The CFD policies adopted under Resolution 2018-33 required property owners to complete detailed CFD applications that were reviewed by Town staff and ultimately approved by Town Council. The Project along with two other developments (Coldstream and Truckee Railyard) undertook the time and financial commitments and submitted CFD applications that were supported by Town staff and approved by Town Council. With approval by Town Council of the Project's CFD application, the formation of the district was completed under the BOLD program in February 2021 for approximately \$4.675 million in funding for public infrastructure. The Project is now in a position to issue bonds for the initial phase of development, but the CFD Policies adopted per Resolution 2018-33 expired in November 2021 and Town policies have reverted back to those adopted by Resolution 2015-53 which do not support the funding of public infrastructure. The CFD financing through the BOLD program is a critical piece of the Project's overall funding plan and has a significant impact on project feasibility moving forward.

As such, the Developer is petitioning the Town to pursue an update to the CFD policies allowing the Project to complete the bond sale for the formed CFD.

Sincerely,
DocuSigned by:



Name: Art Chapman

Title: Authorized Signatory

cc: Jessica Barton (jbarton@jmaholdingsllc.com)

Attachments:

Attachment 1: CMFA Approval Letter

Attachment 2: Recorded Notice of Special Tax Lien

Attachment 1



Tax-Exempt Financing
Throughout California

2111 Palomar Airport Road, Suite 320 • Carlsbad, CA 92011 • (760) 930-1221 • Fax (760) 683-3390

December 1, 2020

Developer Name: J-MAR 1, LLC
Project Name: SOARING RANCH
Local Jurisdiction: TOWN OF TRUCKEE
Contact: ART CHAPMAN (C/O JMA VENTURES, LLC)

To the Developer/Applicant:

This letter is in response to the above application to the California Municipal Finance Authority (the "CMFA") for participation in the CMFA's Bond Opportunities for Local Development ("BOLD") program with respect to the above-referenced project. The CMFA is pleased to grant its initial approval to undertake the formation of a community facilities district for the project (the "CFD").

Please be advised that this initial approval constitutes only a preliminary determination that the project is of the type and scope that meets program requirements and is eligible for commencement of the CFD formation process. This initial approval is not a commitment to ultimately approve the issuance of bonds for the project. The issuance of bonds will be subject to the evaluation and satisfaction of CMFA's underwriting criteria and other program requirements by the CMFA and its BOLD program financing team, and to approval by the CMFA's Board of Directors. *In addition, the project must comply with all of the Town's policies regarding CFD-financing through the BOLD program, including the requirement that all extraordinary public benefit must be completed prior to issuance of any financing.*

In order to begin the process of formation of the CFD, we will require an upfront deposit of the \$50,000, which will be held pursuant to a Deposit and Reimbursement Agreement, the form of which is being provided simultaneously with this approval letter, and disbursed to the CMFA and its BOLD team consultants for work done in connection with the formation of the CFD. The deposit will be held and used for expenses related to the CFD; unused amounts, if any, will be credited to costs of issuance of the bonds, and can be reimbursed to you from proceeds of bonds, if and when issued.

Please feel free to contact the Program Manager, Ralph Holmes (Ralph.J.Holmes@pjc.com), with any questions.

Best Regards,

A handwritten signature in blue ink that reads "John P. Stoecker".

John P. Stoecker
Financial Advisor

Attachment 2

19
nf

Nevada County Recorder
Gregory J. Diaz
Document#: 20210010216
Monday March 22 2021, at 02:42:10 PM
CCF:\$1.00
Paid: \$1.00
Recorded By:CM

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

Secretary of the Board of Directors
California Municipal Finance Authority
c/o Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, CA 94111
Attention: James A. Wawrzyniak, Jr.

EXEMPT FROM RECORDING FEES
PER GOV. CODE §§ 6103, 27383

NOTICE OF SPECIAL TAX LIEN

**IMPROVEMENT AREA NO. 1 OF THE
CALIFORNIA MUNICIPAL FINANCE AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2021-3
(TOWN OF TRUCKEE – SOARING RANCH)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code and Section 53328.3 of the California Government Code, the undersigned Secretary of the California Municipal Finance Authority hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Directors of the California Municipal Finance Authority. The special tax secured by this lien is authorized to be levied for the purpose of paying principal and interest on bonds, the proceeds of which are being used to finance the acquisition and construction of all or a portion of the public facilities described in Exhibit A attached hereto and hereby made a part hereof, to pay the cost of the public facilities described in Exhibit A, and to pay the cost of administering Improvement Area No. 1 (defined below).

The special tax is authorized to be levied within "Improvement Area No. 1 of the California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch)" ("Improvement Area No. 1"), which has now been officially designated as an improvement area within the "California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch)" (the "CFD"), and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax for Improvement Area No. 1 is as set forth in Exhibit B attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the special tax levied in Improvement Area No. 1 may be prepaid and permanently satisfied and the lien of the special tax canceled are as set forth in said Exhibit B and hereby incorporated herein by this reference.

Notice is further given that upon the recording of this notice in the office of the County Recorder of the County of Nevada the obligation to pay the special tax levy shall become a lien

upon all nonexempt real property within Improvement Area No. 1 in accordance with Section 3115.5 of the Streets and Highways Code of California.

The name(s) of the owner(s) and the assessor's tax parcel number(s) of the real property included within the area of Improvement Area No. 1 and not exempt from the special tax are as set forth in Exhibit C attached hereto and hereby made a part hereof.

Reference is made to the boundary map of the CFD recorded on January 26, 2021, in Book 3 of Maps of Assessment and Community Facilities Districts at Page 1, as Document No. 2021-0002576 in the Office of the County Clerk-Recorder for the County of Nevada, State of California, which map is now the final boundary map of the CFD and Improvement Area No. 1.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Executive Director, or his or her designee, 2111 Palomar Airport Road, Suite 320, Carlsbad, California, 92011; Telephone: (209) 831-6800.

Dated: As of February 26, 2021


By: 
Secretary,
California Municipal Finance Authority

Exhibit A – List of Authorized Facilities

Exhibit B – Rate and Method of Apportionment of Special Tax (Improvement Area No. 1)

Exhibit C – Names of Owners and Assessor's Parcel Numbers

EXHIBIT A

LIST OF AUTHORIZED FACILITIES

Authorized facilities and costs that may be funded through the Community Facilities District ("CFD"), including each improvement area therein, include the following public facilities and administrative and incidental expenses.

Roadway and Transportation Improvements

Traffic roundabout and related improvements including sidewalks, crosswalks, street lighting, traffic signage, and landscaping at the intersection of Soaring Way & Joerger Drive.

Intersection improvements at the juncture of State Route (SR) 267, Soaring Way, and Brockway Road including the widening of the intersection, new dedicated turn lanes, new traffic signalization, drainage facilities, crosswalks, and guardrail.

A new transit shelter on Soaring Way near the new traffic roundabout.

Water System Improvements

A joint utility trench including the extension of an underground water main along Soaring Way in a westerly direction connecting to the new traffic roundabout.

Construction of a water system loop for the Truckee Donner Public Utility District from the Soaring Way & Joerger Drive roundabout to the Truckee Riverview Sports Park.

Drainage System and Flood Protection Improvements

Drainage facilities associated with the new traffic roundabout including underground drainage piping and retention pond facilities. Similar facilities were constructed for the SR 267 intersection improvement project including underground drainage piping, retention facilities, and slope retention hydroseed.

Electrical Utility

Extension of underground electrical lines along Soaring Way in a westerly direction connecting to the new traffic roundabout and a new electrical transformer.

Construction of an electrical system loop for the Truckee Donner Public Utility District from the Soaring Way & Joerger Drive roundabout to the Truckee Riverview Sports Park.

Trails and Landscaping

Construction of a new Class 1 trail and Class 1 trail spurs approximately one mile in length connecting the Truckee Riverview Sports Park to an existing Class 1 trail on the southeast side of SR 267. The new Class 1 trail spurs connect the main Class 1 trail to the newly improved SR 267 intersection.

Fees

Traffic mitigation impact fees were paid to the Town of Truckee related to Soaring Ranch Phase 1, which go into the Town's AB1600 traffic capital improvement program.

Administrative and Incidental Expenses

In addition to the above facilities, other incidental expenses as authorized by the Mello-Roos Act include these: the cost of planning, permitting, and designing the facilities (including the cost of environmental

evaluation, orthophotography, and environmental remediation/mitigation); land acquisition and easement payments for authorized CFD facilities; project management; construction staking; engineering studies and preparation of an engineer's report; utility relocation and demolition costs incidental to construction of the public facilities cost associated with the creation of the CFD and issuance of bonds; determination of the amount of taxes and collection of taxes; payment of taxes; costs otherwise incurred to carry out the authorized purposes of the CFD; reimbursements to other areas for infrastructure facilities or planning purposes serving development in the CFD; and any other expenses incidental to the construction, completion, and inspection of the facilities.

In addition, the CFD shall fund the direct and indirect expenses incurred by the California Municipal Finance Authority ("CMFA"), the Town and/or any other local agency in carrying out its duties with respect to the CFD and/or any authorized facility, including, but not limited to:

1. The levy and collection of the special taxes
2. The fees and expenses of attorneys and consultants
3. Any fees related to the collection of special taxes
4. An allocable share of the salaries and benefits of any CMFA and Town staff, or consultant fees, directly related thereto and a proportionate amount of CMFA's and the Town's general administrative overhead related thereto
5. Any amounts paid by CMFA and the Town with respect to the CFD
6. Expenses incurred in undertaking action to foreclose on properties for which the payment of special taxes is delinquent
7. Administrative fees of CMFA and the Town and the bond trustee or fiscal agent related to the CFD and the bonds issued by or for the CFD
8. Costs related to the formation of the CFD
9. Reimbursement of costs related to the formation of the CFD advanced by CMFA and the Town, the landowner(s) in the CFD or any party related to any of the foregoing, as well as reimbursement of any costs advanced by CMFA and the Town, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD
10. Costs related to the issuance of bonds by or for the CFD, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, fees and expenses of bond counsel, disclosure counsel, special tax consultant, municipal advisor and appraiser, bond remarketing costs, and all other incidental expenses
11. All other costs and expenses of CMFA or the Town in any way related to the CFD.

EXHIBIT B

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
(IMPROVEMENT AREA NO. 1)

See attached.

EXHIBIT B

IMPROVEMENT AREA NO. 1 OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2021-3 (TOWN OF TRUCKEE – SOARING RANCH)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 1 of the California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch) shall be levied and collected according to the tax liability determined by the Board through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Acre” 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 map recorded at the County Recorder's Office.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Part 1, Division 2 of Title 5 of the Government Code of the State of California.

“Administrative Expenses” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of CMFA in carrying out its duties with respect to Improvement Area No. 1, the CFD and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for CMFA and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of CMFA and County in any way related to the establishment or administration of Improvement Area No. 1 and the CFD.

“Administrator” shall mean the person or firm designated by CMFA to administer the Special Tax according to this RMA.

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

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

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by the CFD.

“Board” means the Board of Directors of CMFA.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by or for Improvement Area No. 1 to fund Authorized Facilities.

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

“Capitalized Interest” means funds in any capitalized interest account available to pay debt service on Bonds.

“CFD” means the California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch).

“CFD Formation” means the date on which the Resolution of Formation to form the CFD and designate Improvement Area No. 1 was adopted by the Board.

“CMFA” means the California Municipal Finance Authority.

“County” means the County of Nevada.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Taxable Owners Association Property or Taxable Public Property for which a Building Permit for new construction was issued prior to June 30 of the preceding Fiscal Year.

“Development Class” means, individually, Developed Property, Undeveloped Property, Taxable Owners Association Property, and Taxable Public Property.

“Expected Land Uses” means the number of Acres of Taxable Property expected within Improvement Area No. 1 at CFD Formation, as identified in Attachment 1 of this RMA. Pursuant to Section D of this RMA, the Administrator shall update Attachment 1 each time there is a Land Use Change or a prepayment. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

“Expected Maximum Special Tax Revenues” means the aggregate Special Tax that can be levied based on application of the Maximum Special Tax to the Expected Land Uses. The Expected Maximum Special Tax Revenues at CFD Formation are shown in Attachment 1 and may be revised pursuant to Section D below.

“First Bond Sale” means issuance of the first series of Bonds secured, in whole or in part, by Special Taxes levied and collected from Parcels of Taxable Property in Improvement Area No. 1.

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

“Improvement Area No. 1” means Improvement Area No. 1 of the CFD.

“Improvement Fund” means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities.

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

“Land Use Change” means a proposed or approved change to the Expected Land Uses in Improvement Area No. 1 after CFD Formation, including any change to the Acreage of a Parcel of Taxable Property.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below.

“Owners Association” means a homeowners association or property owners association that provides services to, and collects assessments, fees, dues, or charges from, property within Improvement Area No. 1.

“Owners Association Property” means any property within the boundaries of Improvement Area No. 1 that is owned in fee or by easement by the Owners Association, not including any such property that is located directly under a residential structure.

“Proportionately” means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all parcels assigned to the Development Class.

“Public Property” means any property within the boundaries of Improvement Area No. 1 that is owned by the Town, federal government, State of California or other public agency.

“Required Coverage” means the amount by which the Expected Maximum Special Tax Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

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

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities, so long as such levy under this clause (vi) does not increase the Special Tax levied on Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of CMFA, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of CMFA.

“Taxable Owners Association Property” means, in any Fiscal Year after the First Bond Sale, any Parcel of Owners Association Property that satisfies all three of the following conditions: (i) the Parcel had not been Owners Association Property on the date of the First Bond Sale, (ii) the Parcel was not anticipated to be Owners Association Property as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is Owners Association Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

“Taxable Property” means all of the Parcels within the boundaries of Improvement Area No. 1 that are not exempt from the Special Tax pursuant to law or Section G below.

“Taxable Public Property” means in any Fiscal Year after the First Bond Sale, any Parcel of Public Property that satisfies all three of the following conditions: (i) the Parcel had not been Public Property on the date of the First Bond Sale, (ii) the Parcel was not anticipated to be Public Property, as determined by the Administrator, and (iii) if the Parcel were to be exempt from the Special Tax because it is Public Property, the Expected Maximum Special Tax Revenues would be reduced to a point at which Required Coverage could not be maintained.

“Tentative Map” means a tentative map or substantial conformance exhibit for property in the CFD, including any adjustments or amendments thereto.

“Town” means the Town of Truckee.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property, Taxable Owners Association Property, or Taxable Public Property, as defined herein.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall assign each Parcel of Taxable Property to the appropriate Development Class and determine the Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor the Tentative Map, Assessor's Parcel Maps, and Building Permits to determine if there are any proposed Land Use Changes that would change the Expected Maximum Special Tax Revenues. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) one or more of the newly-created parcels is in a different Development Class than other parcels created by the subdivision, the Administrator shall calculate the Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax for all Parcels of Taxable Property in Improvement Area No. 1 is the greater of: (i) \$22,925 per Acre, which amount shall, on July 1, 2021, and on each July 1 thereafter, be increased by an amount equal to 2.0% of the amount in effect for the prior Fiscal Year, or (ii) the Maximum Special Tax determined pursuant to Section D herein.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. Land Use Changes

The Expected Maximum Special Tax Revenues shown in Attachment 1 were originally calculated based on the Expected Land Uses at CFD Formation. Attachment 1 is subject to modification upon the occurrence of Land Use Changes, as described below. The Administrator shall review all Land Use Changes and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Special Tax Revenues.

Prior to the First Bond Sale, if a Land Use Change is proposed or identified that will result in a change in the Expected Maximum Special Tax Revenues, no action will be needed pursuant to this Section D. Upon approval of the Land Use Change, the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues.

After the First Bond Sale, if a Land Use Change is proposed or identified, Steps 1 through 3 must be applied:

- Step 1:** By reference to Attachment 1 (which shall be updated by the Administrator each time a Land Use Change has been processed according to this Section D or a partial prepayment has been made), the Administrator shall identify the Expected Maximum Special Tax Revenues prior to the Land Use Change.
- Step 2:** The Administrator shall calculate the Expected Maximum Special Tax Revenues that could be collected from Taxable Property in the CFD after the Land Use Change based on application of the Maximum Special Taxes from Section C herein.
- Step 3:** If the revenues calculated in Step 2 are (i) higher than those determined in Step 1 or (ii) less than those calculated in Step 1, but the reduction in Expected Maximum Special Tax Revenues does not reduce debt service coverage on outstanding Bonds below Required Coverage, no further action is needed, and the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues.

If the revenues calculated in Step 2 are less than those calculated in Step 1, and the Administrator determines that the reduction in Expected Maximum Special Tax Revenues would reduce debt service coverage on outstanding Bonds below the Required Coverage, one of the following shall occur:

3.a. The landowner requesting the Land Use Change (the “Requesting Landowner”) may make a prepayment in an amount that will ensure that the reduced Expected Maximum Special Tax Revenues are sufficient to provide Required Coverage, as determined pursuant to Section H below. If the Requesting Landowner notifies the Administrator that he/she would like to remedy the reduction by making a prepayment, such prepayment must be made by the earlier of (i) 30 days from the date of delivery of the prepayment estimate or (ii) the date of issuance of any Building Permits for any Parcel owned by the Requesting Landowner that was Undeveloped Property at the time the Administrator prepared the prepayment estimate, or

3.b. If a prepayment is not received by the due date specified above, the per-Acre Maximum Special Tax for each Parcel of Taxable Property in the area affected by the Land Use Change (as determined by the Administrator) shall be increased proportionately until the Expected Maximum Special Tax Revenues are sufficient to maintain Required Coverage.

Pursuant to this Section D.1, the Administrator may from time to time update Attachment 1 to reflect revised Expected Maximum Special Tax Revenues. Such update shall be maintained internally by the Administrator and shall not require recordation of an amended RMA.

If multiple Land Use Changes are proposed simultaneously by a single landowner, and the landowner requests that the impact of two or more of the Land Use Changes be considered together, the Administrator shall consider the combined effect of the Land Use Changes to determine if there is a reduction in Expected Maximum Special Tax Revenues. If there is a reduction that would reduce debt service coverage below the Required Coverage, and no

prepayment has been received, then the per-Acre Maximum Special Tax for each Parcel of Taxable Property in the areas affected by the Land Use Changes (as determined by the Administrator) shall be increased proportionately until the aggregate amount that can be levied within such areas is equal to the amount that could have been levied prior to the proposed Land Use Changes. If Land Use Changes are proposed simultaneously by multiple landowners, or if an individual landowner proposing multiple Land Use Changes does not request that such Land Use Changes be considered together, the Administrator shall consider the proposed Land Use Changes individually.

The duties imposed on the Administrator pursuant to this Section D to review Land Use Changes and to make certain calculations are intended only to facilitate the administration of the Special Tax and to better assure the sufficiency of tax capacity to pay debt service on Bonds. Such duties are not intended to give any developer, subdivider, or owner of property the right to receive notice of the potential impact of Land Use Changes on the Special Tax applicable to a Parcel; and each developer, subdivider, or owner of property whose property is the subject of a Land Use Change shall be responsible for understanding the impact thereof on the Special Tax applicable to such property.

2. Partial Prepayments

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2. In addition, the Administrator shall update Attachment 1 to reflect the prepayment and the revised Expected Maximum Special Tax Revenues for Improvement Area No. 1. After the prepayment has been received, the application of Sections D, E, and H of this RMA shall be based on the adjusted Expected Maximum Special Tax Revenues after the prepayment.

3. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on the Acreage of the Parcel, as determined by the Administrator.

E. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement prior to applying any Capitalized Interest that is available in the CFD accounts.

Step 2: If additional revenue is needed after Step 1, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property until the amount levied is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2, the Special Tax shall be levied Proportionately on each Parcel of Taxable Owners Association Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Owners Association Property until the amount levied is equal to the Special Tax Requirement.

Step 4: If additional revenue is needed after Step 3, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel of Taxable Public Property until the amount levied is equal to the Special Tax Requirement.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that CMFA may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2061-62. Under no circumstances may the Special Tax on a Parcel of Developed Property in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels 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.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

- (1) Public Property, except Taxable Public Property.
- (2) Owners Association Property, except Taxable Owners Association Property.
- (3) Parcels that are owned by a public utility for an unmanned facility.
- (4) Parcels that are subject to an easement that precludes any other use on the Parcel.
- (5) Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

H. PREPAYMENTS

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

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

“Public Facilities Requirement” means either \$2.1 million in 2021 dollars, which shall increase on January 1, 2022, and on each January 1 thereafter by 2% of the amount in effect in the prior year, or such other number as shall be determined by CMFA as sufficient to fund improvements that are authorized to be funded by the CFD. The Public Facilities Requirements shown above may be adjusted if property annexes into Improvement Area No. 1 or if there is an adjustment to the Expected Maximum Special Tax Revenues due to a Land Use Change; at no time shall the Public Facilities Requirement exceed the amount of public improvement costs that can be funded by the Expected Maximum Special Tax Revenues, as determined by the Administrator.

“Remaining Facilities Costs” means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity and any other source of funding.

1. *Full Prepayment*

The Special Tax obligation applicable to a Parcel in Improvement Area No. 1 may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide CMFA with written notice of intent to prepay. Within 30 days of receipt of such written notice, CMFA or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 60 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

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

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by CMFA by applying the Maximum Special Tax to the Acreage of the Parcel. If this Section H is being applied to calculate a prepayment pursuant to Section D above, compute the amount by which the proposed Land Use Change would reduce Expected Maximum Special Tax Revenues below the amount needed for Required Coverage, and use this amount for purposes of this Step 1.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Expected Maximum Special Tax Revenues for all property in Improvement Area No. 1, as shown in Attachment 1 and as adjusted by the Administrator after prepayments or Land Use Changes.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the “Bond Redemption Amount”*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the “Remaining Facilities Amount”*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the “Redemption Premium”*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8 and 9 of this prepayment formula will not apply.
- Step 8:** Compute the amount of interest CMFA reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9:** Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (*the “Defeasance Requirement”*).

- Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds and recording any notices to evidence the prepayment and the redemption (the “*Administrative Fees and Expenses*”).
- Step 11.** If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).
- Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the “*Prepayment Amount*”).
- Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected:

2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel, and the Administrator shall update Attachment 1 to show the revised Expected Maximum Special Tax Revenues. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

3. *Maintaining Required Coverage*

Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that can be collected from Taxable Property that remains subject to the Special Tax after the proposed prepayment is less than the Required Coverage on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of

the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which Required Coverage is maintained.

I. INTERPRETATION OF RMA

Interpretations may be made by Resolution of the Board to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to Improvement Area No. 1 or the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes. CMFA, upon the request of an owner of land within Improvement Area No. 1 which is not Developed Property may also amend this RMA in any manner acceptable to CMFA, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within Improvement Area No. 1, provided such amendment only affects such owner's land. Under no circumstances may such revisions to the RMA decrease the Expected Maximum Special Tax Revenues to a level that will reduce debt service coverage below the Required Coverage.

ATTACHMENT 1

Improvement Area No. 1 of the California Municipal Finance Authority Community Facilities District No. 2021-3 (Town of Truckee – Soaring Ranch)

Expected Land Uses and Expected Maximum Special Tax Revenues

Category	Expected Number of Acres	Maximum Special Tax Fiscal Year 2020-21 *	Expected Maximum Special Tax Revenues *
Taxable Property	5.5 Acres	\$22,925 per Acre	\$126,088
Owner Association Property	0 Acres	\$0	\$0
Public Property	0 Acres	\$0	\$0

* On July 1, 2021, and each July 1 thereafter, all dollar amounts shown above shall be increased by 2% of the amount in effect in the prior Fiscal Year.

EXHIBIT C

NAMES OF OWNERS AND ASSESSOR'S PARCEL NUMBERS

Assessor's Parcel No(s).

Name(s) of Property Owner(s)

019-620-060

J-MAR 1, LLC