

**TRUCKEE LIBRARY JOINT POWERS AUTHORITY
CALIFORNIA**

RESOLUTION 2025-02

**A RESOLUTION OF INTENTION OF THE TRUCKEE
LIBRARY JOINT POWERS AUTHORITY TO ESTABLISH
COMMUNITY FACILITIES DISTRICT NO. 1 (TRUCKEE
LIBRARY) OF THE TRUCKEE LIBRARY JOINT POWERS
AUTHORITY, TO AUTHORIZE THE LEVY OF A SPECIAL
TAX TO PAY THE COSTS OF CERTAIN FACILITIES AND
TO PAY DEBT SERVICE ON BONDED INDEBTEDNESS**

WHEREAS, the Board of Directors of the Truckee Library Joint Powers Authority (the "Authority") has received a written request signed by two members of the Board of Directors to establish the District (as defined below), which written request meets the requirements of Section 53318(a) of the Government Code of the State of California; and

WHEREAS, the Board of Directors desires to adopt this resolution of intention as provided in Section 53321 of the Government Code of the State of California to establish a community facilities district consisting of the territory described in Attachment "A" hereto and incorporated herein by this reference, which the Board of Directors hereby determines shall be known as "Community Facilities District No. 1 (Truckee Library) of the Truckee Library Joint Powers Authority" (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act") to finance (1) the construction, purchase, modification, expansion, rehabilitation, improvement and/or maintenance of a public library facility described in Attachment "B" hereto and incorporated herein by this reference, including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which Facilities have a useful life of five years or longer, and (2) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District (the "Incidental Expenses"); and

WHEREAS, the Board of Directors further intends to approve an estimate of the costs of the Facilities and the Incidental Expenses for the District; and

WHEREAS, it is the intention of the Board of Directors to consider financing the costs of the Facilities and the Incidental Expenses through the formation of the District and the issuance of bonded indebtedness in an amount not to exceed \$25,000,000 with respect to the Facilities and the Incidental Expenses and the levy of a special tax to pay for the Facilities and the Incidental Expenses (the "Special Tax") and to pay debt service on the bonded indebtedness, provided that the bond sale and such Special Tax levy are approved at an election to be held within the boundaries of the District;

**NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED THAT THE
TRUCKEE LIBRARY JOINT POWERS AUTHORITY RESOLVES AS FOLLOWS:**

SECTION 1. The above recitals are true and correct.

SECTION 2. A community facilities district is proposed to be established under the terms of the Act. It is further proposed that the boundaries of the community facilities district shall be the legal boundaries as described in Attachment "A" hereto, which boundaries shall, upon recordation of the boundary map for the District, include the entirety of any parcel subject to taxation by the District, and as depicted on the map of the proposed District which is on file with the Clerk. The Clerk is hereby directed to sign the original map of the District and record it with all proper endorsements thereon with the Clerk-Recorder of the County of Nevada and the County of Placer 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.

SECTION 3. The name of the proposed community facilities district shall be "Community Facilities District No. 1 (Truckee Library) of the Truckee Library Joint Powers Authority."

SECTION 4. The Facilities proposed to be provided within Community Facilities District No. 1 are public facilities as defined in the Act, which the Authority is authorized by law to construct, acquire, own and operate. The Board of Directors hereby finds and determines that the description of the Facilities herein is sufficiently informative to allow taxpayers within the proposed District to understand what the funds of the District may be used to finance. The Incidental Expenses expected to be incurred include the cost of planning and designing the Facilities, the costs of forming the District, issuing bonds and levying and collecting the Special Tax within the proposed District. The Facilities may be constructed from bond or Special Tax proceeds.

All or a portion of the Facilities may be purchased with District funds as completed facilities pursuant to Section 53314.9 or as discrete portions or phases pursuant to Section 53313.51 of the Act and/or constructed with District funds pursuant to Section 53316.2 of the Act.

SECTION 5. Except where funds are otherwise available, it is the intention of the Board of Directors to levy annually in accordance with the procedures contained in the Act the Special Tax, secured by recordation of a continuing lien against all nonexempt real property in the District, sufficient to pay for: (i) the Facilities and Incidental Expenses; and (ii) the principal and interest and other periodic costs on bonds or other indebtedness issued to finance the Facilities and Incidental Expenses, including the establishment and replenishment of any reserve funds deemed necessary by the District, 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). The rate and method of apportionment and manner of collection of the Special Tax are described in detail in Attachment "C" attached hereto, which Attachment "C" is incorporated herein by this reference. Attachment "C" allows each voter within the District to estimate the maximum amount of the Special Tax that may be levied against each parcel. In the first year in which such Special Tax is levied, the levy shall include an amount sufficient to

repay to the District all amounts, if any, transferred to the District pursuant to Section 53314 of the Act and interest thereon.

If the Special Tax is levied against any parcel used for private residential purposes, (i) the maximum Special Tax rate shall be specified as a dollar amount which shall be calculated and established not later than the date on which the parcel is first subject to the Special Tax because of its use for private residential purposes and shall not be increased over time, (ii) such Special Tax shall not be levied after the earlier of (1) the Fiscal Year in which the Special Tax has been levied in the prior thirty (30) years, or (2) Fiscal Year 2060-61, as described in Attachment "C" hereto, and (iii) under no circumstances will the Special Tax levied in any fiscal year against any such parcel used for private residential uses be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District 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 is based on the benefit that each parcel derives from the Facilities and on the expected demand that each parcel of real property within the proposed District will place on the Facilities. The Board of Directors hereby determines that the proposed Facilities are necessary to meet the demand for a public library facility and related public facilities described in Attachment "B" hereto within the proposed District. The Board of Directors hereby determines the rate and method of apportionment of the special tax with respect to the Special Tax set forth in Attachment "C" to be reasonable. The 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 or ownership of real property. In the event that a portion of the property within the District shall become for any reason exempt, wholly or partially, from the levy of the Special Tax specified on Attachment "C," the Board of Directors shall, on behalf of the District, cause the levy to be increased, subject to the limitation of the maximum Special Tax for a parcel as set forth in Attachment "C," to the extent necessary upon the remaining property within the proposed District which is not exempt in order to yield the Special Tax revenues required for the purposes described in this Section 5. The obligation to pay the Special Tax may be prepaid only as set forth in Section G of Attachment "C" hereto.

SECTION 6. A public hearing (the "Hearing") on the establishment of the proposed District, the proposed rate and method of apportionment of the Special Tax and the proposed issuance of bonds to finance the Facilities and the Incidental Expenses shall be held at 12:00 p.m., or as soon thereafter as practicable, on June 23, 2025, at the Town of Truckee Administrative Center, 10183 Truckee Airport Road, Truckee, California. Should the Board of Directors determine to form the District, an election will be held to authorize the issuance of the bonds and the levy of the Special Tax in accordance with the procedures contained in Government Code Section 53326. If held, the proposed voting procedure at the election will be by registered voters residing in the territory to be included in the boundaries of the proposed District.

SECTION 7. At the time and place set forth above for the Hearing, the Board of Directors will receive testimony as to whether the proposed District shall be established and as to the method of apportionment of the special tax and shall consider:

(a) if an ad valorem property tax is currently being levied on property within the proposed District for the exclusive purpose of paying principal of or interest on bonds, lease payments or other indebtedness incurred to finance construction of capital facilities; and

(b) if the capital facilities to be financed and constructed by the District will provide the same services as were provided by the capital facilities mentioned in subsection (a); and

(c) if the Board of Directors makes the findings specified in subsections (a) and (b) above, it will consider appropriate action to determine whether the total annual amount of ad valorem property tax revenue due from parcels within the District, for purposes of paying principal and interest on the debt identified in subsection (a) above, shall not be increased after the date on which the District is established, or after a later date determined by the Board of Directors with the concurrence of the legislative body which levied the property tax in question.

SECTION 8. At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within the proposed District, may appear and be heard.

SECTION 9. Each Authority officer who is or will be responsible for providing the Facilities within the proposed District, if it is established, is hereby directed to study the proposed District and, at or before the time of the above-mentioned Hearing, file a report with the Board of Directors containing a brief description of the facilities by type which will in his or her opinion be required to meet adequately the needs of the District and an estimate of the cost of providing those facilities, including the cost of environmental evaluations of such facilities and an estimate of the fair and reasonable cost of any Incidental Expenses to be incurred.

SECTION 10. The District 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, including, but not limited to, paying any cost incurred in creating the District. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, 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 Board of Directors, with or without interest.

SECTION 11. The Clerk is hereby directed to publish a notice (the "Notice") of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed 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 in the proposed District and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

SECTION 12. The reasonably expected maximum principal amount of the bonded indebtedness to be incurred by the District for the Facilities and Incidental Expenses is Twenty-Five Million Dollars (\$25,000,000).

SECTION 13. Except to the extent limited in any bond resolution or trust indenture related to the issuance of bonds, the Board of Directors 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 14. This Resolution shall be effective upon its adoption.

The foregoing Resolution was introduced by _____, seconded by _____ at a Regular Meeting of the Truckee Library Joint Powers Authority, held on the 21st day of May, 2025, and adopted by the following vote:

AYES:

NOES:

ABSENT:

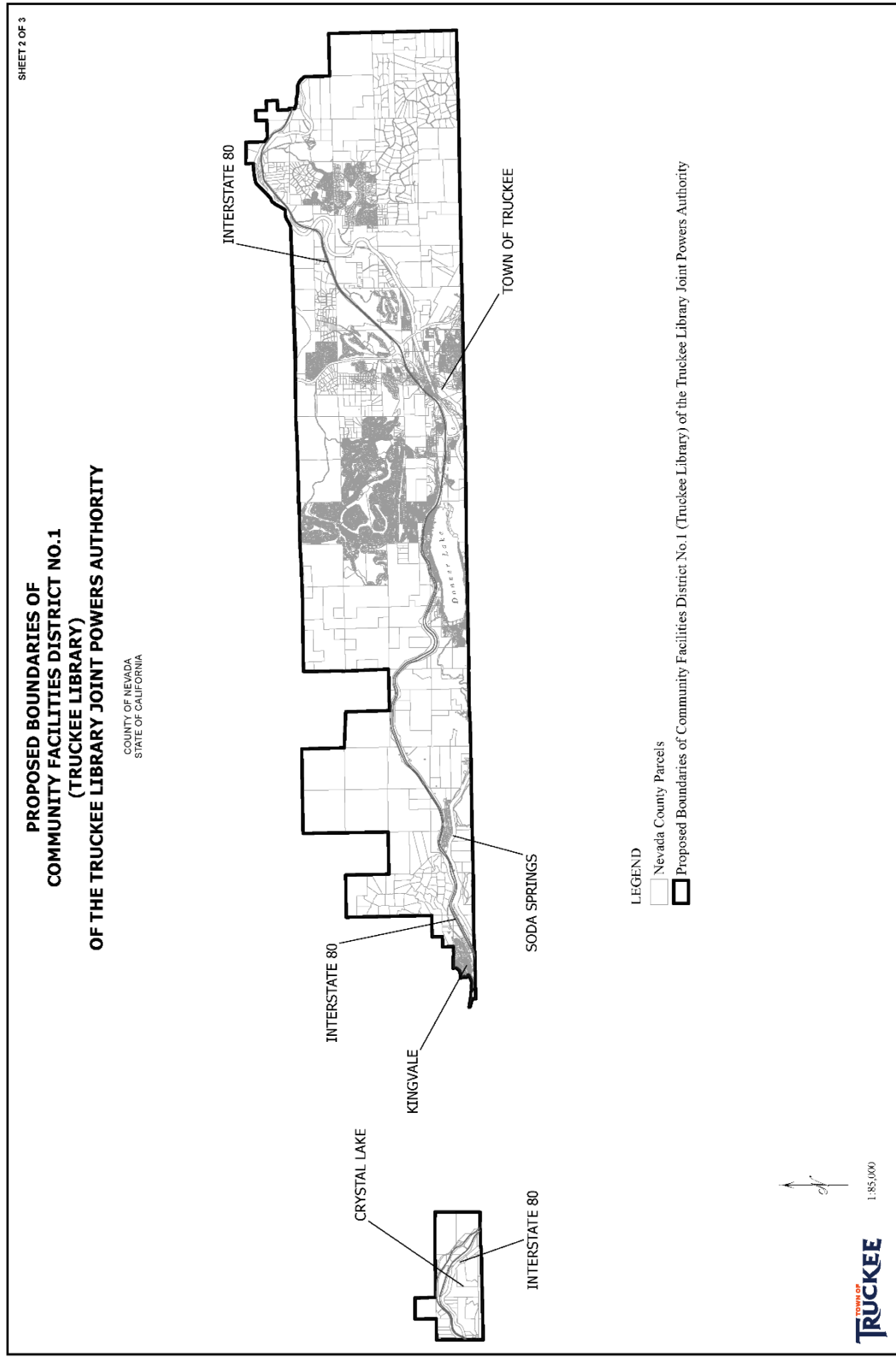
ATTEST:

Jen Callaway, Chair

Kelly Carpenter, Town Clerk

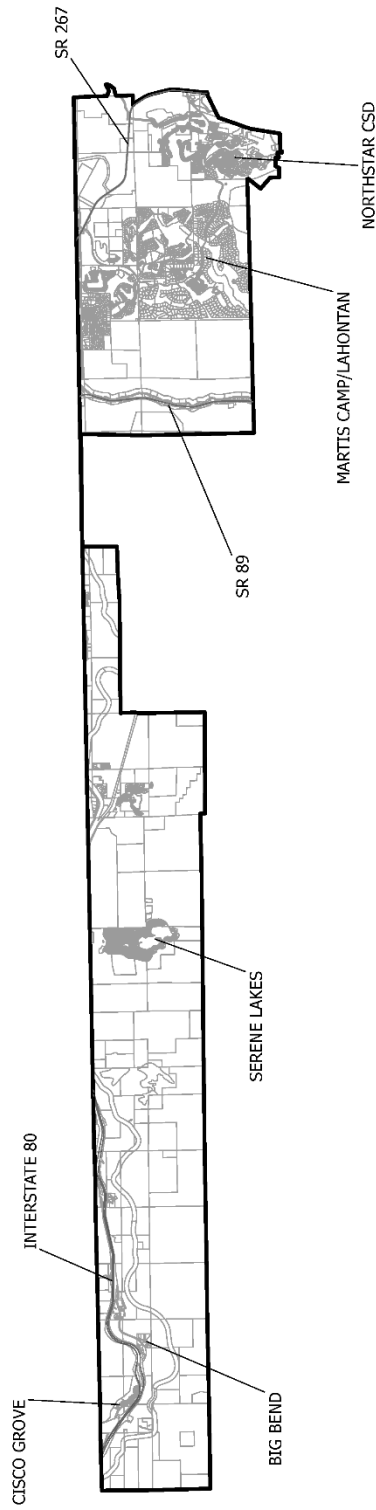
4930-0074-1146v5/200496-0006

A-1



**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO.1
(TRUCKEE LIBRARY)
OF THE TRUCKEE LIBRARY JOINT POWERS AUTHORITY**

COUNTY OF PLACER
STATE OF CALIFORNIA



LEGEND

Placer County Parcels

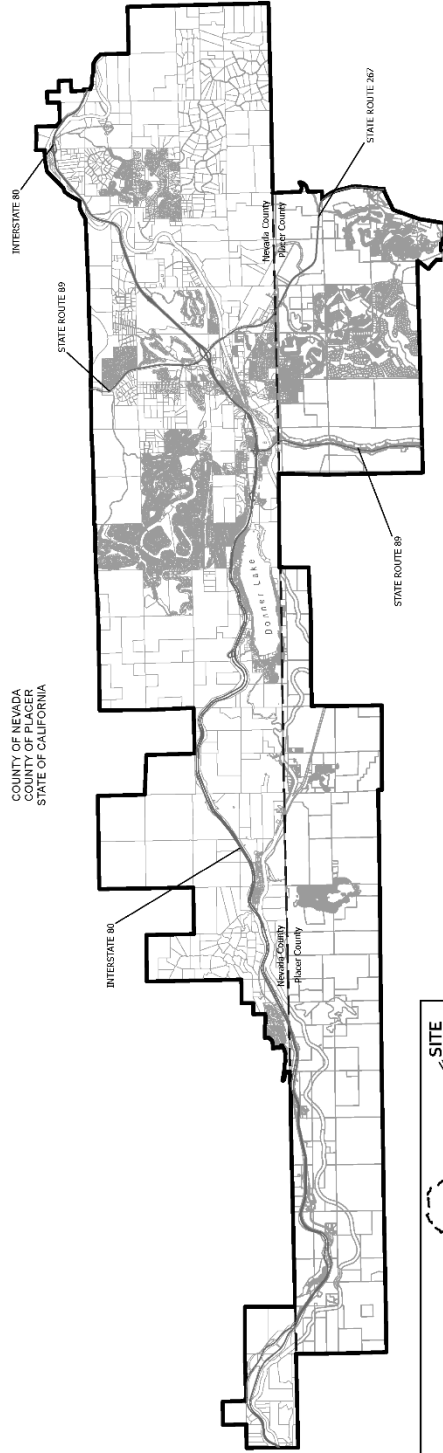
Proposed Boundaries of Community Facilities District No.1 (Truckee Library) of the Truckee Library Joint Powers Authority



TRUCKEE
TOWN OF

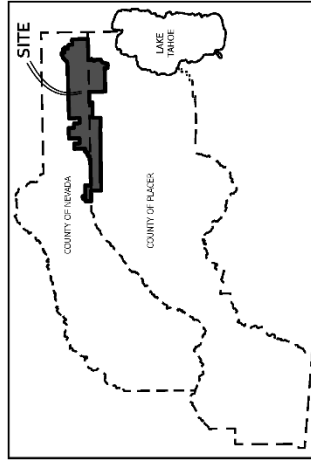
PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO.1 (TRUCKEE LIBRARY) OF THE TRUCKEE LIBRARY JOINT POWERS AUTHORITY

COUNTY OF NEVADA
COUNTY OF PLACER
STATE OF CALIFORNIA



LEGEND

- Placer County and Nevada County Assessor Parcel Boundaries
- Proposed Boundaries of Community Facilities District No. 1 (Truckee Library) of the Truckee Library Joint Powers Authority



VICINITY MAP
1:90,000



CLERK'S MAP FILING STATEMENT

I, HERBLYN THOMPSON, CLERK OF THE TRUCKEE LIBRARY JOINT POWERS AUTHORITY, THIS _____ DAY OF _____, 2025,

CLERK'S MAP CERTIFICATE

2. I HEREBY CERTIFY THAT THE MAP SHOWING THE BOUNDARIES OF THE TRUCKEE LIBRARY JOINT POWERS AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 1, COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED BY THE TRUCKEE LIBRARY JOINT POWERS AUTHORITY BOARD OF DIRECTORS ON _____ DAY OF _____, 2025, BY ITS RESOLUTION NO. _____.

CLERK OF THE BOARD
TRUCKEE LIBRARY JOINT POWERS AUTHORITY

RECORDERS STATEMENT

3. FILED THIS _____ DAY OF _____, 2025, AT THE OFFICE OF _____, CLERK OF SAIDS _____, IN THE OFFICE OF THE COUNTY RECORDER, IN THE COUNTY OF PLACER, STATE OF CALIFORNIA.

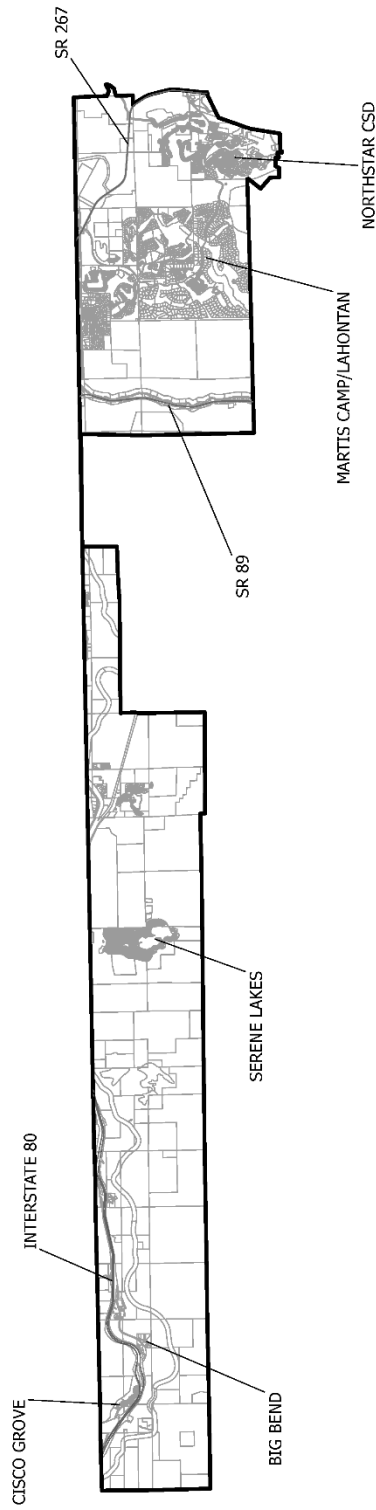
CLERK OF THE BOARD
TRUCKEE LIBRARY JOINT POWERS AUTHORITY

REAN RICHARDSON, COUNTY RECORDER
CLERK OF THE BOARD
TRUCKEE LIBRARY JOINT POWERS AUTHORITY

INSTRUMENT NUMBER: _____

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO.1
(TRUCKEE LIBRARY)
OF THE TRUCKEE LIBRARY JOINT POWERS AUTHORITY**

COUNTY OF PLACER
STATE OF CALIFORNIA



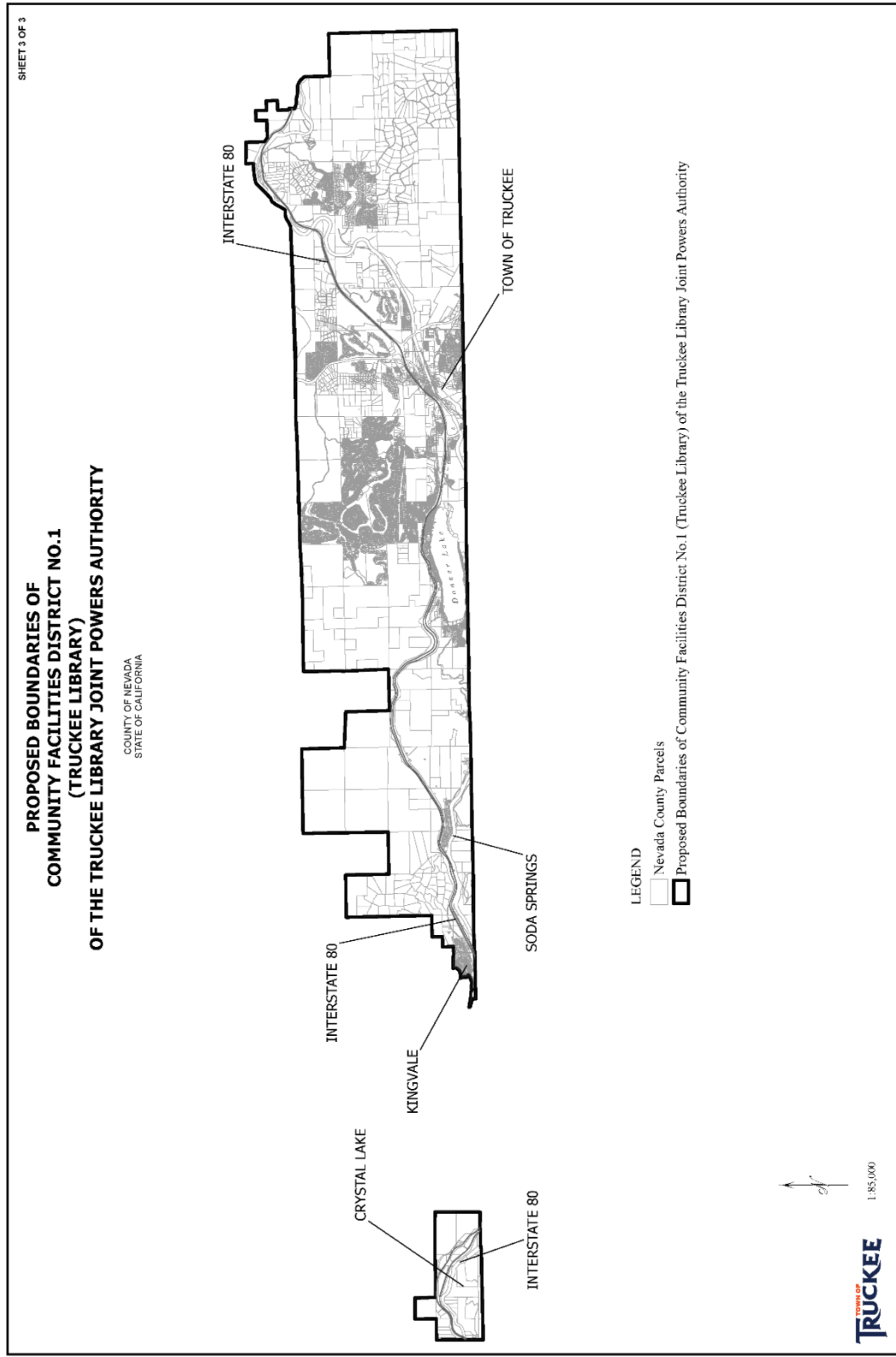
LEGEND

Placer County Parcels

Proposed Boundaries of Community Facilities District No.1 (Truckee Library) of the Truckee Library Joint Powers Authority



TRUCKEE
TOWN OF



ATTACHMENT B

Types of Facilities to Be Financed by Community Facilities District No. 1 (Truckee Library) of the Truckee Library Joint Powers Authority

The proposed types of facilities and expenses to be financed by the District include:

The construction, purchase, modification, expansion, rehabilitation, improvement and/or maintenance of a public library facility, including facilities and space to provide emergency resources, and related improvements, including, but not limited to, parking facilities, utilities, hardscape and landscaping improvements, and recreational facilities, as authorized to be financed under the Mello-Roos Community Facilities Act of 1982, as amended (the "Facilities"), and all appurtenances and appurtenant work in connection with the foregoing Facilities, including the cost of engineering, planning, designing, materials testing, permitting, mitigation, coordination, construction staking, construction management and supervision for such Facilities, and to finance the incidental expenses to be incurred, including:

- a. The cost of engineering, planning and designing the Facilities;
- b. All costs, including costs associated with the creation of the District, the issuance of the bonds, the determination of the amount of special taxes to be levied and costs otherwise incurred in order to carry out the authorized purposes of the District; and
- c. Any other expenses incidental to the purchase, modification, expansion, rehabilitation, improvement and/or maintenance of the Facilities.

Capitalized terms used and not defined herein shall have the meaning set forth in the Rate and Method of Apportionment of Special Taxes for the District.

ATTACHMENT C

**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 1
(TRUCKEE LIBRARY)
OF THE TRUCKEE LIBRARY JOINT POWERS AUTHORITY**

**COMMUNITY FACILITIES DISTRICT NO. 1
(TRUCKEE LIBRARY)
OF THE TRUCKEE LIBRARY JOINT POWERS AUTHORITY**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 1 (Truckee Library) of the Truckee Library Joint Powers Authority 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 property in the CFD, unless exempted by law or by the provisions of Section H below, 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:

"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 the TLJPA in carrying out its duties with respect to 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 Counties 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 the TLJPA or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the TLJPA in any way related to the establishment or administration of the CFD.

"Administrator" shall mean the person or firm designated by the TLJPA 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 of the County of Placer or the County of Nevada 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 the TLJPA.

“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 the CFD to fund Authorized Facilities.

“Building Square Footage” means, in any Fiscal Year, the square footage of building area identified for each Improved Parcel on the Counties’ Assessors’ records. Building Square Foot means a single square-foot unit of Building Square Footage.

“CFD” means Community Facilities District No. 1 of the Truckee Library Joint Powers Authority.

“Counties” means, collectively, the County of Nevada and the County of Placer.

“County” means, individually, the County of Nevada or the County of Placer.

“County Use Code” means the numerical code assigned by the Counties’ Assessors’ Offices to identify the land use on an Assessor’s Parcel.

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

“Improved Parcels” means, in any Fiscal Year, all Assessor’s Parcels in the CFD that are designated in that Fiscal Year, or have been designated in prior Fiscal Years, by the following County Use Codes or any successor County Use Codes that may replace these codes or any County Use Codes that are added in future Fiscal Years for developed parcels that are zoned for residential, commercial, industrial, or agricultural use, as determined by the Administrator and the TLJPA:

Nevada County: 0500, 0550, 0600, 0700, 3050, 3100, 3300, 3400, 3450, 3500, 4100, 4200, 4220, 4250, 4300, 4350, 5050, 5100, 5200, 5300, 5400, 5500, 5600, 5700, 5750, 5800, 6300, 6500, 6800, 0050, 0100, 0150, 0199, 0200, 0220, 0300, 0399, 0400, 0900

Placer County: 05, 28, 11, 12, 14, 17, 18, 19, 21, 24, 25, 27, 29, 31, 35, 37, 38, 64, 01, 02, 03, 04, 06, 07, 08, 16

The Administrator may also categorize an Unmarked Parcel as an Improved Parcel if the Parcel is determined to be used for a residential, commercial, industrial, or agricultural use similar to other Parcels being taxed as Improved Parcels.

“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.

“Low-Income Exemption Application” means the application provided by and submitted to the TLJPA by the owner of a residential unit in order for such unit to be considered for qualification as a Low-Income Exemption Unit.

“Low-Income Exemption Unit” means, in any Fiscal Year, a single family residential unit within the CFD, the owner(s) of which meet all of the following criteria:

- (1) The owner(s) is the owner of record of the Parcel according to the most recent secured County tax roll or a subsequently recorded deed of trust on the Parcel.
- (2) The owner(s) resides in the residential unit located on the Parcel for which he/she is a record owner, which shall be verified by the TLJPA after a review of a driver's license or other state or federal government-issued identification card, utility bills, or other similar documentation.
- (3) The combined family income from all sources in the calendar year prior to the calendar year in which the Low-Income Exemption Application is being considered was 80% or less of the median family income, as defined by the United States Department of Housing and Urban Development, for the County in which the Parcel is located.
- (4) By May 1 of the prior Fiscal Year, a Low-Income Exemption Application was submitted to the TLJPA and such application was approved by the TLJPA by June 30 of the prior Fiscal Year.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year.

“Proportionately” means 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 Assessor's Parcels of Taxable Property.

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

“Special Tax” means a special tax levied in any Fiscal Year that will be used to pay the Special Tax Requirement, as defined below.

“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. The 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) 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 the TLJPA.

“Taxable Property” means, collectively, all Improved Parcels and all Unimproved Parcels within the boundaries of the CFD.

“**TLJPA**” means the Truckee Library Joint Powers Authority.

“**Unimproved Parcels**” means, in any Fiscal Year, all Assessor’s Parcels in the CFD that have not, in prior Fiscal Years, been designated as Improved Parcels and are, in the current Fiscal Year, designated by the following County Use Codes or any successor County Use Codes that may replace these codes or any County Use Codes that are added in future Fiscal Years for undeveloped parcels that are zoned for residential, commercial, industrial, or agricultural use, as determined by the Administrator and the TLJPA:

Nevada County: 1000, 2000, 2050, 3000, 5000, 0000, 0040, 0200, 0900

Placer County: 20, 30, 10

The Administrator may also, in any Fiscal Year, categorize the following as an Unimproved Parcel: (i) an Unmarked Parcel that is determined to be vacant but is zoned for a residential, commercial, industrial, or agricultural use, and (ii) a Parcel that is assigned a County Use Code that would otherwise make the Parcel an Improved Parcel but for which no Building Square Footage is identified on the Assessor’s roll.

“**Unmarked Parcel**” means an Assessor’s Parcel that has not been assigned a County Use Code by either of the Assessor’s Office of the Counties.

B. DATA FOR ANNUAL ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall (i) obtain the current Assessors’ tax rolls for the property within the CFD, (ii) identify the current Assessor’s Parcel numbers for Taxable Property within the CFD, (iii) categorize each Parcel of Taxable Property as an Improved Parcel or Unimproved Parcel, (iv) based on the Counties’ Assessors’ records, determine the Building Square Footage on each Improved Parcel, (v) determine if there are Low-Income Exemption Units in the CFD in the current Fiscal Year, and (vi) determine the Special Tax Requirement for the Fiscal Year.

C. MAXIMUM SPECIAL TAX

The following maximum rates shall apply to all Parcels of Taxable Property within the CFD for each Fiscal Year in which the Special Tax is collected:

Type of Parcel	Maximum Special Tax
Improved Parcel	\$0.03 per Building Square Foot
Unimproved Parcel	\$29.00 per Parcel

Once Bonds have been issued that are secured by the Special Taxes collected within the CFD, the Maximum Special Tax applicable to a Parcel shall not be reduced in future Fiscal Years regardless of changes in the County Use Code or Building Square Footage assigned to the Parcel.

Notwithstanding the foregoing, a Parcel that had been taxed in a prior Fiscal Year that qualifies as a Low-Income Exemption Unit shall be exempt from the levy of the Special Tax in each Fiscal Year in which a Low-Income Exemption Application is received and approved by the TLJPA.

D. LOW-INCOME UNIT EXEMPTIONS

Each Fiscal Year, the Administrator shall review the Low-Income Exemption Applications that were submitted to and approved by the TLJPA in the prior Fiscal Year and identify the Assessor's Parcels to which the applications apply. The Low-Income Exemption Units on such Parcels shall be exempt from the levy of the Special Tax in that Fiscal Year. Notwithstanding the foregoing, there shall never be more than fifty (50) Low-Income Exemption Units in a Fiscal Year. If the total number of qualifying Low-Income Exemption Applications exceeds fifty in any Fiscal Year, the exemptions will be granted to the first fifty units for which applications were received based on the date on the Low-Income Exemption Applications.

If an Assessor's Parcel for which the owner has submitted a Low-Income Exemption Application has multiple residential units on it, only the Building Square Footage of the owner's primary residence shall be exempt the Special Tax. A Special Tax shall be levied on the Building Square Footage of other residential units on the Parcel, as determined by the Administrator.

A Low-Income Exemption Application submitted to the TLJPA by May 1 and approved by the TLJPA by June 30 of a particular Fiscal Year will qualify the Low-Income Exemption Unit for an exemption from the Special Tax in the following Fiscal Year. Each Low-Income Exemption Application applies for only one Fiscal Year, and a new Low-Income Exemption Application must be submitted and approved each Fiscal Year in order for the residential unit to remain exempt from the Special Tax.

E. MANNER OF COLLECTION AND DURATION 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 G below and provided further that the TLJPA 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 the earlier of: (i) the Fiscal Year in which the Special Tax has been levied in the prior thirty (30) years, or (ii) Fiscal Year 2060-61. Under no circumstances may the Special Tax on one Parcel be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels.

F. 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 Proportionately on each Parcel of Taxable

Property in the CFD up to 100% of the Maximum Special Tax for each Parcel until the amount levied equals the Special Tax Requirement for that Fiscal Year.

G. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section G:

“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.

“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 \$16,625,000.

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

The Special Tax obligation applicable to a Parcel in the CFD 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 the TLJPA with written notice of intent to prepay. Within 30 days of receipt of such written notice, the TLJPA 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 the TLJPA.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Maximum Special Taxes that could be collected from all Taxable Property in the CFD in the Fiscal Year in which prepayment would be received by the TLJPA.
- 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 the TLJPA 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.

H. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on Low-Income Exemption Units or on any Parcel that is not an Improved Parcel or Unimproved Parcel, as determined by the Administrator.

I. INTERPRETATION OF RMA

The TLJPA reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the TLJPA’s discretion. Interpretations may be made by the TLJPA by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.