# RATE AND METHOD OF APPORTIONMENT FOR CITY OF ANAHEIM COMMUNITY FACILITIES DISTRICT NO. 08-1 (PLATINUM TRIANGLE)

To the extent provided herein a Special Tax shall be levied on all Assessor's Parcels of Taxable Property in the City of Anaheim Community Facilities District No. 08-1 (Platinum Triangle) and collected each Fiscal Year commencing in Fiscal Year 2008-09, in an amount determined by the Council through the application of the procedures described below. All of the real property in CFD No. 08-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

## A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Acre or Acreage"** means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or, if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, condominium plan, or other recorded County parcel map.

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

**"Administrative Expenses"** means the following actual or reasonably estimated costs related to the administration of CFD No. 08-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City, CFD No. 08-1, or any designee thereof); the costs of collecting the Special Taxes (whether by the County, the City, through foreclosure proceedings, or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 08-1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, CFD No. 08-1 or any designee thereof of complying with City, CFD No. 08-1 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 08-1 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes; the costs of City staff time and reasonable overhead relating to the administration of CFD No. 08-1; and any other costs or third party expenses estimated or advanced by the City or CFD No. 08-1 for any other administrative purposes of CFD No. 08-1.

**"Approved Property"** means, for each Fiscal Year, all Taxable Property for which a Development Agreement was executed and delivered by the City after August 24, 2004 and prior to March 1 of the previous Fiscal Year and which is not classified as Developed Property.

**"Arena Property"** means the property within the geographic area identified as Arena Property on the map included in Exhibit A.

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

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

**"Assigned Special Tax"** means the Special Tax for each Assessor's Parcel of Developed Property, as determined in accordance with Section C.1 below.

**"Backup Special Tax"** means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section D below.

**"Bonds"** means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 08-1 under the Act.

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

**"CFD No. 08-1"** means the City of Anaheim Community Facilities District No. 08-1 (Platinum Triangle).

**"City"** means the City of Anaheim.

**"Condominium"** means a unit meeting the statutory definition of a condominium contained in the California Civil Code Section 1351.

**"Council"** means the City Council of the City, acting as the legislative body of CFD No. 08-1.

**"County"** means the County of Orange.

**"Developed Property"** means, for each Fiscal Year, all Taxable Property, exclusive of Taxable Property Owner Association Property or Taxable Public Property, for which a building permit for construction of new building square footage (excluding any permits for additions to Existing Property where the addition is less than 1,000 square feet) was issued after January 1, 2005 and prior to September 1 of the prior Fiscal Year.

**"Development Agreement"** means a development agreement, subdivision improvement agreement, or other agreement between the City and an owner of property within CFD No. 08-1 specifying the terms and conditions for the development of such property.

**"Existing Arena Facility Possessory Interest"** means a leasehold or other possessory interest in all or a portion of the facilities located on the Arena Property that were in existence on July 1, 2006 (as such facilities may be remodeled, refurbished, or repaired) that

is granted by the City to a nonexempt person or entity. For purposes of calculating the Special Tax, the Existing Arena Facility Possessory Interest shall equal 3.68 Acres. To the extent that there is more than one possessory interest with respect to the existing facilities on the Arena Property, the 3.68 Acres shall be allocated proportionately to each Existing Arena Facility Possessory Interest by the CFD Administrator.

**"Existing Stadium Facility Possessory Interest"** means a leasehold or other possessory interest in all or a portion of the facilities located on the Stadium Property that were in existence on July 1, 2006 (as such facilities may be remodeled, refurbished, or repaired) that is granted by the City to a nonexempt person or entity. For purposes of calculating the Special Tax, the Existing Stadium Facility Possessory Interest shall equal 20.00 Acres. To the extent that there is more than one possessory interest with respect to the existing facilities on the Stadium Property, the 20.00 Acres shall be allocated proportionately to each Existing Stadium Facility Possessory Interest by the CFD Administrator.

**"Existing Property"** means, for each Fiscal Year, (i) any Existing Arena Facility Possessory Interests and Existing Stadium Facility Possessory Interests and (ii) all other Taxable Property which has an improvement value that is greater than zero as provided by the County Assessor and which is not classified as Developed Property, Approved Property, Taxable Property Owner Association Property, or Taxable Public Property.

**"Final Map"** means (i) for property other than Condominiums, a final map approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq*.) that creates individual lots for which building permits may be issued, or (ii) for Condominiums, a final map approved by the City and a condominium plan recorded pursuant to California Civil Code Section 1352 creating such individual lots or parcels.

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

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

**"Initial Determination Date"** means April 1 of the year in which the CFD Administrator first determines that the Maximum Special Taxes can be reduced as provided in Section E.

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

**"Maximum Special Tax"** means, with respect to an Assessor's Parcel of Taxable Property, the Maximum Special Tax, determined in accordance with Section C.1 below, that can be levied in any Fiscal Year on such Assessor's Parcel.

**"Non-Residential Floor Area"** means for Non-Residential Property the total of the gross area of the floor surfaces within the exterior wall of the building constructed or to be constructed on such Non-Residential Property, not including space devoted to residential dwelling units, stairwells, basement or garage storage, required corridors, public restrooms, elevator shafts, light courts, vehicle parking and areas incident thereto, mechanical equipment incidental to the operation of such building, and covered public pedestrian circulation areas, including atriums, lobbies, plazas, patios, decks, arcades and similar areas.

The amount of floor area shall be determined by reference to the building permit(s) issued by the City, or if square footage is not available from this source, as otherwise determined by the CFD Administrator.

**"Non-Residential Property"** means all Assessor's Parcels of Developed Property for which a building permit(s) was issued for a non-residential use.

**"Original CFD Property"** means the property located within CFD No. 08-1 at the time of formation as identified in the boundary map for CFD No. 08-1, as attached herein as Exhibit B.

**"Outstanding Bonds"** means all Bonds which are outstanding under and in accordance with the provisions of the Indenture.

**"Property Owner Association Property"** means, for each Fiscal Year, any property within the boundaries of CFD No. 08-1 that is owned by or irrevocably dedicated to a property owner association, including any master or sub-association.

**"Proportionately"** means (a) with respect to the Special Tax for Developed Property that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property; (b) with respect to the Special Tax for Existing Property that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Existing Property; (c) with respect to the Special Tax for Approved Property that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Approved Property; (d) with respect to the Special Tax for Undeveloped Property that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property; (e) with respect to the Special Tax for Taxable Property Owner Association Property that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Taxable Property Owner Association Property; and (f) with respect to the Special Tax for Taxable Public Property that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Taxable Public Property.

**"Public Property"** means, for each Fiscal Year, any property within the boundaries of CFD No. 08-1 that (i) is owned by or irrevocably offered for dedication to the federal government, the State, the County, the City or any other public agency, provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use; or (ii) is encumbered by a public utility easement making impractical its use for any purpose other than that set forth in the easement.

**"Reserve Requirement"** means the reserve requirement for the Bonds as defined in the Indenture.

**"Residential Floor Area"** means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The amount of floor area shall be determined by reference to the building permit(s) issued by the City, or if square footage is not available

from this source, as otherwise determined by the CFD Administrator based on the recorded condominium plan or other available documents.

**"Residential Property"** means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

**"Special Tax"** means the annual special tax to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property, Approved Property, Existing Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property to fund the Special Tax Requirement.

**"Special Tax Requirement"** means that amount required or estimated to be required in any Fiscal Year to pay: (1) debt service and other periodic costs on the Bonds due in the calendar year commencing in such Fiscal Year; (2) directly for the acquisition or construction of authorized facilities of CFD No. 08-1, to the extent that the inclusion of such amount does not increase the Special Tax levy beyond the first step in Section F; (3) Administrative Expenses; (4) any amount required to increase the amount on deposit in any reserve fund established for the Bonds to the Reserve Requirement applicable thereto; (5) for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; and (6) the costs of remarketing, credit enhancement and liquidity facility and reserve surety fees; less (7) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

**"Stadium Property"** means the property within the geographic area identified as Stadium Property on the map included in Exhibit A.

**"State"** means the State of California.

**"Subsequent Determination Date"** means each April 1 for nine consecutive years following the Initial Determination Date.

**"Tax Rate Factor" or "TRF"** means the numeric designation under the heading TRF in Table 1 for each Land Use Class of Developed Property, which reflects the relationship between the Assigned Special Tax for that Land Use Class as compared to the Assigned Special Taxes for other Land Use Classes, and which is used in Section D below in the calculation of the Backup Special Tax.

**"Taxable Property"** means, for each Fiscal Year, all of the property within the boundaries of CFD No. 08-1 which is not exempt from the Special Tax pursuant to law or Section G below.

**"Taxable Property Owner Association Property"** means, for each Fiscal Year, all Assessor's Parcels of Property Owner Association Property that are not exempt from the Special Tax pursuant to Section G below.

**"Taxable Public Property"** means, for each Fiscal Year, all Assessor's Parcels of Public Property that are not exempt from the Special Tax pursuant to law or Section G below.

**"Trustee"** means the trustee or fiscal agent under the Indenture.

**"Undeveloped Property"** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Approved Property, Existing Property, Taxable Property Owner Association Property, or Taxable Public Property.

**"Update Approved Property"** means, as of the date of any calculation, an Assessor's Parcel of Existing Property or Undeveloped Property for which a Development Agreement was executed and delivered by the City after August 24, 2004, but which has not yet been classified as Update Developed Property or Approved Property.

**"Update Developed Property"** means, as of the date of any calculation, an Assessor's Parcel of Existing Property, Undeveloped Property or Approved Property for which a building permit for new construction has been issued after January 1, 2005, but which has not yet been classified as Developed Property.

## B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 08-1 shall be classified as Developed Property (which shall be further classified as Residential Property and Non-Residential Property), Approved Property, Existing Property, Taxable Property Owner Association Property, Taxable Public Property, or Undeveloped Property, and shall be subject to the Special Tax in accordance with the rate and method of apportionment determined pursuant to Sections C, D, E and F below.

## C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

(a) Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel of Developed Property shall be the greater of (i) the Assigned Special Tax or (ii) the Backup Special Tax.

(b) Assigned Special Tax

The Assigned Special Tax for each Assessor's Parcel of Residential Property shall be based on the Residential Floor Area of the residential unit or units constructed or to be constructed on such Assessor's Parcel. The Assigned Special Tax for each Assessor's Parcel of Non-Residential Property shall be based on the amount of Non-Residential Floor Area of the non-residential building or buildings constructed or to be constructed on such Assessor's Parcel.

The Fiscal Year 2008-09 Assigned Special Tax for each Land Use Class is shown below in Table 1.

**TABLE 1**
**Assigned Special Tax for Developed Property**
**Fiscal Year 2008-09**

| Land Use Class | TRF | Description | Residential Floor Area | Assigned Special Tax |
|---|---|---|---|---|
| 1 | 2.62 | Residential Property | ≥ 2,200 sq. ft. | $2,750 per unit |
| 2 | 2.31 | Residential Property | 2,000 – 2,199 sq. ft. | $2,430 per unit |
| 3 | 1.90 | Residential Property | 1,800 – 1,999 sq. ft. | $2,000 per unit |
| 4 | 1.62 | Residential Property | 1,600 – 1,799 sq. ft. | $1,700 per unit |
| 5 | 1.43 | Residential Property | 1,400 – 1,599 sq. ft. | $1,505 per unit |
| 6 | 1.10 | Residential Property | 1,200 – 1,399 sq. ft. | $1,150 per unit |
| 7 | 0.95 | Residential Property | 1,000 – 1,199 sq. ft. | $995 per unit |
| 8 | 0.76 | Residential Property | 800 – 999 sq. ft. | $795 per unit |
| 9 | 0.56 | Residential Property | < 800 sq. ft. | $585 per unit |
| 10 | NA | Non-Residential Property | Not Applicable | $1.4624 per square foot of Non-Residential Floor Area |

(c) Increase/Decrease in the Assigned Special Tax

On each July 1, commencing on July 1, 2009, the Assigned Special Taxes shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year; provided however, if the Special Taxes for any Fiscal Year are reduced pursuant to Section E, the Assigned Special Taxes for such Fiscal Year shall be the amounts calculated in Section E.3.

(d) Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax for such Assessor's Parcel shall be the sum of the Assigned Special Tax for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax for such Assessor's Parcel shall be the sum of the Maximum Special Tax for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains both Residential Property and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the building square footage designated for each land use as determined by reference to the building permit approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

2. Approved Property and Existing Property

(a) Maximum Special Tax

The Fiscal Year 2008-09 Maximum Special Tax for Approved Property and Existing Property is shown below in Table 2.

**TABLE 2**
**Maximum Special Tax for Approved Property and Existing Property**
**Fiscal Year 2008-09**

| Description | Maximum Special Tax |
|---|---|
| Approved Property | $100,000 per Acre |
| Existing Property | $5,104 per Acre |

(b) Increase/Decrease in the Maximum Special Tax

On each July 1, commencing on July 1, 2009, the Maximum Special Taxes shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year; provided however, if the Special Taxes for any Fiscal Year are reduced pursuant to Section E, the Maximum Special Taxes for such Fiscal Year shall be the amounts calculated in Section E.3.

3. Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

(a) Maximum Special Tax

The Fiscal Year 2008-09 Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be $5,104 per Acre.

(b) Increase/Decrease in the Maximum Special Tax

On each July 1, commencing on July 1, 2009, the Maximum Special Tax shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year; provided however, if the Special Taxes for any Fiscal Year are reduced pursuant to Section E, the Maximum Special Tax for such Fiscal Year shall be the amount calculated in Section E.3.

## D. BACKUP SPECIAL TAX

### 1. Calculation of Backup Special Tax

The Backup Special Tax shall be applicable to all Developed Property and, except as provided in Sections D.2 and E below, shall be calculated by the CFD Administrator on the date of closing of each issue of Bonds, the date of each annexation of property

into CFD No. 08-1, and on July 1 of each Fiscal Year. The Backup Special Tax for each period calculated shall be the lesser of (a) $100,000 per Acre, or (b) the amount per Acre calculated pursuant to the formula below, provided that the Backup Special Tax shall be $0 if the amount calculated below results in an amount less than $0 per Acre.

$$[(MADS \times 1.1) + AE - AST] \div BTA$$

MADS = The sum of the discounted maximum annual gross debt service for all Outstanding Bonds (including those Bonds currently being issued, if any). MADS shall be computed by determining the Fiscal Year in which occurs the maximum aggregate annual gross debt service for all Bonds and discounting that amount from such Fiscal Year to the current Fiscal Year using a discount rate reflecting the actual rate of increase (if any) of the debt service on the Bonds.

AE = Estimated Administrative Expenses for the current Fiscal Year.

AST = The sum of the Assigned Special Tax that could be levied on all Developed Property in the current Fiscal Year, plus the Assigned Special Tax that could be levied in the current Fiscal Year for all Assessor's Parcels of Update Developed Property had they been classified as Developed Property in the current Fiscal Year, plus 90% of the Maximum Special Tax that could be levied on all Existing Property (excluding any Update Developed Property) in the current Fiscal Year.

BTA = The sum of the Acreage of property that is, as of the date of calculation, Approved Property (excluding Update Developed Property) that is within a Final Map, plus 85% of the Acreage of property that is, as of the date of calculation, Approved Property (excluding Update Developed Property) that is not within a Final Map, plus 85% of the Acreage of property that is, as of the date of calculation, Undeveloped Property (excluding Update Developed Property).

For the purpose of calculating the Backup Special Tax, the Acreage of a Condominium unit shall be computed from the Acreage of the lot or parcel on which the Condominium unit is located, with the Acreage for such lot or parcel allocated among all of the Condominium units located on such lot or parcel based on each Condominium unit's proportionate share of the total Tax Rate Factor for such lot or parcel as calculated by reference to Table 1.

In cases where a lot or parcel includes both Residential Property and Non-Residential Property (or Update Developed Property that will be classified as Residential Property or Non-Residential Property), the Acreage apportioned to each land use shall be based on that land use's share of the total Residential Floor Area and Non-Residential Floor Area on such parcel.

### 2. Increase in the Backup Special Tax

The Backup Special Tax determined pursuant to Section D.1.(a) shall be applicable for Fiscal Year 2008-09, and shall increase by two percent (2%) annually each Fiscal Year , commencing on July 1, 2009. The Backup Special Tax determined pursuant to Section D.1.(b) shall be applicable in the Fiscal Year it is calculated, unless it is recalculated in such Fiscal Year in connection with an issuance of CFD No. 08-1 Bonds or the annexation of property into CFD No. 08-1.

Except as provided in Section E below, when a building permit is issued for an Assessor's Parcel, its Backup Special Tax shall be permanently set based on the Backup Special Tax rate then in effect and said Backup Special Tax on such Assessor's Parcel shall increase by two percent (2%) each Fiscal Year, commencing on July 1, 2009, regardless of the issuance of additional CFD No. 08-1 Bonds or the annual recalculation of the Backup Special Tax.

## E. SPECIAL TAX REDUCTION

The following definitions apply to this Section E:

**"Annual Debt Service"** means, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

**"Bond Year"** the period starting September 2 and ending on the following September 1.

**"Corresponding Bond Year"** means, for any Fiscal Year, the Bond Year that commences in such Fiscal Year.

**"Debt Service Coverage"** means, as of the Initial Determination Date or any Subsequent Determination Date, for any Fiscal Year, the quotient, expressed as a percentage, of (a) the Net Projected Special Tax Revenues for such Fiscal Year, divided by (b) the Annual Debt Service for the Corresponding Bond Year.

**"Net Projected Special Tax Revenues"** means, as of the Initial Determination Date or any Subsequent Determination Date, for any Fiscal Year, the remainder of (a) the Projected Special Tax Revenues for such Fiscal Year, minus (b) the Projected Administrative Expenses for such Fiscal Year.

**"Projected Administrative Expenses"** means, as of the Initial Determination Date or any Subsequent Determination Date (a) for the Fiscal Year in which such Initial Determination Date or Subsequent Determination Date occurs, 110% of the average actual Administrative Expenses for the preceding five Fiscal Years, and (b) for any subsequent Fiscal Year, the amount resulting from increasing the Projected Administrative Expenses on each July 1, from and including the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date to and including the July 1 in such Fiscal Year by 2% of the amount in effect for the previous Fiscal Year.

**"Projected Special Tax Revenues"** means, as of the Initial Determination Date or any Subsequent Determination Date, for any Fiscal Year, based on the tax classifications for the Fiscal Year commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date, the sum of (a) the amount of Assigned Special Taxes that may be levied on all Developed Property pursuant to the Act and this Rate and Method of Apportionment in such Fiscal Year taking into account the loss of any Special Taxes from Developed Property that will no longer be taxed pursuant to Section K (Term of Special Tax), plus (b) 90% of the amount of Maximum Special Taxes that may be levied on all Existing Property pursuant to the Act and this Rate and Method of Apportionment in such Fiscal Year.

**"Reduction Percentage"** means, as of the Initial Determination Date or any Subsequent Determination Date, if (a) the Assigned Special Tax for each category of Developed Property (based on the tax classifications for the Fiscal Year commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date) is reduced by an equal percentage amount in each Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds, (b) the Maximum Special Tax for Existing Property (based on the tax classification for the Fiscal Year commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date) is reduced by an equal percentage amount in each Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds, and (c) the Assigned Special Tax for Developed Property and the Maximum Special Tax for Existing Property are reduced by an equal percentage amount in each such Fiscal Year, the greatest percentage amount by which the Assigned Special Tax for each category of Developed Property and the Maximum Special Tax for Existing Property could be reduced that would not cause the Debt Service Coverage in any Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds to be less than 120%. If the Debt Service Coverage is less than 120% the Reduction Percentage shall equal 0%.

**1. Initial Determination of Reduction**

On the first April 1 following the date that (i) all authorized Bonds have been issued <u>or</u> the Council has adopted a resolution determining that CFD No. 08-1 will not issue any additional Bonds (except refunding Bonds in accordance with the Act) and (ii) the Council has adopted a resolution determining that the Special Tax will no longer be levied to pay directly for the acquisition or construction of authorized facilities of CFD No. 08-1, the CFD Administrator shall determine if all of the following are true:

(a) The balance in the reserve fund established under the Indenture is at or above the Reserve Requirement;

(b) CFD No. 08-1 is not in default in the payment of interest on and principal of all Outstanding Bonds;

(c) Debt Service Coverage for each Fiscal Year from the Fiscal Year

commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds is at least equal to 100%; and

(d) The delinquency rate as of June 30 of the prior Fiscal Year for Special Taxes levied for all prior Fiscal Years did not exceed ten percent (10%) of the amount levied for such Fiscal Year.

If all four of the above items are true, then the Assigned Special Tax and Backup Special Tax for all parcels of Developed Property and the Maximum Special Tax for all parcels of Existing Property, Approved Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property shall be reduced by the amount, if any, determined in Section E.3.

If any one of the four items is not true as of the first April 1 following the date that all authorized Bonds have been issued <u>or</u> the Council has adopted a resolution determining that CFD No. 08-1 will not issue any additional Bonds (except refunding Bonds in accordance with the Act), then the CFD Administrator shall continue to make such determination each following April 1, until all of the tests are met.

The first April 1 on which all four items are true shall be considered the Initial Determination Date.

**2. Subsequent Determination of Reduction**

On each April 1 for nine consecutive years following the Initial Determination Date, the CFD Administrator shall determine if all four of the items in Section E.2 are true. If all four items are true as of such Subsequent Determination Date, then the Assigned Special Tax and Backup Special Tax for all parcels of Developed Property and the Maximum Special Tax for all parcels of Existing Property, Approved Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property shall be reduced by the amount, if any, determined in Section E.3.

If any one of the four items is not true, then the Assigned Special Tax and Backup Special Tax for all parcels of Developed Property and the Maximum Special Tax for all parcels of Existing Property, Approved Property, Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property shall not be reduced and shall remain at the amount that otherwise would have been in effect pursuant to this RMA.

**3. Calculation of Reduction**

The Special Tax reduction shall be calculated by the CFD Administrator as follows:

(a) Determine the Projected Special Tax Revenues for each Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date to and including the Fiscal Year ending on the June 30 next preceding the

final maturity date of the Outstanding Bonds;

(b) Determine the Projected Administrative Expenses for each Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds;

(c) Determine the Debt Service Coverage for each Fiscal Year from the Fiscal Year commencing on the July 1 next succeeding such Initial Determination Date or Subsequent Determination Date to and including the Fiscal Year ending on the June 30 next preceding the final maturity date of the Outstanding Bonds;

(d) Determine the Reduction Percentage.

The Assigned Special Tax for each Land Use Class of Developed Property for the Fiscal Year commencing on the July 1 following the applicable Initial Determination Date or Subsequent Determination Date shall be reduced from the amount that otherwise would have been in effect pursuant to this RMA by a percentage amount equal to the Reduction Percentage.

The Maximum Special Tax for Existing Property and Approved Property for the Fiscal Year commencing on the July 1 following the applicable Initial Determination Date or Subsequent Determination Date shall be reduced from the amount that otherwise would have been in effect pursuant to this RMA by a percentage amount equal to the Reduction Percentage.

The Maximum Special Tax for Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property for the Fiscal Year commencing on the July 1 following the applicable Initial Determination Date or Subsequent Determination Date shall be reduced from the amount that otherwise would have been in effect pursuant to this RMA by a percentage amount equal to the Reduction Percentage.

The Backup Special Tax for Developed Property shall be reduced to $0 commencing on the July 1 following the Initial Determination Date.

## 4. Certificate of CFD Administrator

Upon completion of the tests identified in Section E.1 and the calculations in Section E.3, the CFD Administrator shall prepare a Certificate of CFD Administrator that sets forth the results of such tests and the resulting reduced Special Tax rates.

## 5. Recordation of Revised Notice

Upon receipt of a Certificate of CFD Administrator, an addendum to the Notice of Special Tax Lien shall be recorded. Such addendum shall include the tables in the form of Exhibit C and shall clearly set forth the revised Special Tax rates.

## F. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2008-09 and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement and the Council shall levy the Special Tax as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property and Existing Property at up to 100% of the applicable Assigned Special Tax for Developed Property and at up to 90% of the Maximum Special Tax for Existing Property, as applicable, as needed to satisfy the Special Tax Requirement;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 90% of the Maximum Special Tax for Approved Property as needed to satisfy the Special Tax Requirement;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the levy of the Special Tax for each Assessor's Parcel of Approved Property and Existing Property shall be increased Proportionately at up to 100% of the Maximum Special Tax for Approved Property or Existing Property, as applicable;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property at up to 100% of the Maximum Special Tax for Taxable Property Owner Association Property, as applicable; and

Seventh: If additional monies are needed to satisfy the Special Tax Requirement after the first six steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to 100% of the Maximum Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances shall the Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 08-1.

## G. EXEMPTIONS

In accordance with law, property owned by a public agency at the time of formation of CFD No. 08-1 (excluding all property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act) shall be exempt from the Special Tax so long as such property continues be owned by a public agency.

In addition, no Special Tax shall be levied in any Fiscal Year on up to 50 Acres of property that is classified for such Fiscal Year as Property Owner Association Property or Public Property that is within the Original CFD Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property or Public Property.

No Special Tax shall be levied on Public Property that is not within the Original CFD Property.

Property Owner Association Property or Public Property that is not exempt from the Special Tax under this section shall be classified as Taxable Property Owner Association Property or Taxable Public Property and be subject to the levy of the applicable Maximum Special Tax for Taxable Property Owner Association Property or Taxable Public Property.

## H. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct and requesting a refund may file a written notice of appeal and refund to that effect with the CFD Administrator not later than one calendar year after having paid the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the CFD Administrator's decision requires the Special Tax be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the next Special Tax levy. Any dispute over the decision of the CFD Administrator shall be referred to the City Council and the decision of the City Council shall be final. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

## I. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 08-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

## J. PREPAYMENT OF SPECIAL TAX

The Special Tax may be prepaid as described below.

The following definitions apply to this Section J:

**"CFD Public Facilities Capacity"** means, as of any date, the sum of any construction proceeds previously generated and construction proceeds expected to be generated from future bond issues that can be supported from expected Special Tax revenues from all current Developed Property, Update Developed Property (assuming it is taxed as Developed Property), Approved Property (assuming it is taxed as Developed Property), Update Approved Property (assuming it is taxed as Developed Property), and Existing Property within CFD No. 08-1 less estimated annual Administrative Expenses; provided however, that as of the date of formation of CFD No. 08-1, the CFD Public Facilities Capacity shall equal $154.8 million; and provided further, that the CFD Public Facilities Capacity shall not exceed $221.3 million in 2007 dollars, as escalated by the Construction Inflation Index on July 1, 2008, and on each July 1 thereafter. The CFD Administrator shall determine the CFD Public Facilities Capacity as of the date of each prepayment.

**"Construction Fund"** means a fund or account, however denominated, specifically identified in the Indenture to hold funds which are available for expenditure to acquire or construct public facilities eligible for financing by CFD No. 08-1 under the Act, including funds resulting from the levy of Special Taxes to pay directly for the acquisition or construction of authorized facilities.

**"Construction Inflation Index"** means, for a Fiscal Year, the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

**"Future Facilities Costs"** means, as of any date, the CFD Public Facilities Capacity minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance public facilities costs. Notwithstanding the foregoing, if the Council makes a covenant for the benefit of the owners of Bonds, that no additional Bonds (other than refunding Bonds issued under the Act) payable from the Special Tax will be issued by CFD No. 08-1, the Future Facilities Costs shall be reduced to $0.

**"Outstanding Bonds"** means, for purposes of this Section J, all Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

**"Reserve Fund"** means the fund established under the Indenture as a reserve for the payment of principal of, and interest and any premium on, the Bonds.

## 1. Developed Property and Update Developed Property

### A. Prepayment in Full

The Special Tax on any Assessor's Parcel of Developed Property or Update Developed Property may be prepaid and permanently satisfied. The Special Tax obligation applicable to such Assessor's Parcel in CFD No. 08-1 may be fully prepaid and the obligation of the Assessor's 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 Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the Prepayment Amount (defined below) for such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this calculation.

The Prepayment Amount shall be calculated as summarized below (capitalized terms as defined below):

| | |
|---|---|
| Bond Redemption Amount | |
| plus | Redemption Premium |
| plus | Future Facilities Amount |
| plus | Defeasance Amount |
| plus | Administrative Fees and Expenses |
| less | Reserve Fund Credit |
| Total: | equals Prepayment Amount |

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

**Paragraph No.:**

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.

2. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Update Developed Property, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it were already classified as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.

3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Tax and Maximum Special Tax for all current Developed Property, Update Developed Property (assuming it is taxed as Developed Property), Approved Property (assuming it is taxed as Developed Property), Update Approved Property (assuming it is taxed as Developed Property), and Existing Property within CFD No. 08-1, and

   (b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the total estimated Backup Special Tax for Developed Property and Maximum Special Tax for Existing Property as of the date of the prepayment calculation for such parcel. For Update Developed

Property, Approved Property and Update Approved Property estimate the Backup Special Tax using the then applicable amount computed pursuant to Section D or Section E (adjusted to reflect the reduction in Maximum Special Tax revenues from any Assessor's Parcels which have prepaid their Special Tax obligation in full or in part).

4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be paid or redeemed (the "*Bond Redemption Amount*").

5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "*Redemption Premium*").

6. Compute the current Future Facilities Costs.

7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "*Future Facilities Amount*").

8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.

10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "*Defeasance Amount*").

12. Verify the administrative fees and expenses of No. 08-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "*Administrative Fees and Expenses*").

13. The reserve fund credit (the "*Reserve Fund Credit*") shall equal the lesser of: (a) the expected reduction in the Reserve Requirement, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new

Reserve Requirement in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the Reserve Fund established under the Indenture on the prepayment date, but in no event shall such amount be less than zero.

14. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amount computed pursuant to paragraph 13 (the "*Prepayment Amount*").

15. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, and 13 shall be deposited into the appropriate fund or account as established under the Indenture and be used to redeem Outstanding Bonds or make debt service payments thereon. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 08-1.

The Prepayment Amount may be sufficient to redeem other than a $5,000 increment of Bonds. In such cases, the increment above $5,000 or integral multiple thereof will be retained in the appropriate fund or account established under the Indenture to be used with the next redemption of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel on which the Special Tax is prepaid and permanently satisfied pursuant hereto, the Council shall cause a notice of cancellation of special tax lien to be recorded in compliance with the Act, to indicate the prepayment and permanent satisfaction of such Special Tax and the cancellation of the Special Tax lien on such Assessor's Parcel.

**B. Prepayment in Part**

The Special Tax on any Assessor's Parcel of Developed Property and Update Developed Property may be partially prepaid. The amount of the prepayment shall be calculated as in Section J.1.A, except that a partial prepayment shall be calculated according to the following formula:

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

These terms have the following meaning:

PP = the partial prepayment
$P_E$ = the Prepayment Amount calculated according to Section J.1.A
F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Maximum Special Tax

A = the Administrative Fees and Expenses according to Section J.1.A

An owner of an Assessor's Parcel intending to partially prepay the Special Tax obligation shall provide the CFD Administrator with (i) written notice of intent to partially prepay and (ii) the percentage of the Special Tax to be prepaid. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the partial Prepayment Amount for such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this calculation.

With respect to any Assessor's Parcel that is partially prepaid, CFD No. 08-1 shall (i) distribute the funds remitted to it according to Section J.1.A. and (ii) indicate in the records of CFD No. 08-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax shall continue to be levied on such Assessor's Parcel pursuant to Section F.

## 2. Existing Property

### A. Prepayment

The Special Tax at the Existing Property rate on any Assessor's Parcel of Existing Property may be prepaid. The Special Tax obligation at the Existing Property rate applicable to such Assessor's Parcel in CFD No. 08-1 may be prepaid and the obligation of the Assessor's Parcel to pay the Special Tax at the Existing Property rate satisfied as described herein; provided that if all or any portion of such Assessor's Parcel is, pursuant to the terms hereof, classified as Approved Property or Developed Property after such prepayment, such prepayment shall, from and after the date of such classification, be deemed to be a partial prepayment of the Special Tax obligation applicable to such Assessor's Parcel or portion thereof, as provided in Section J.2.B below and provided, further, that a prepayment may be made only if there is no delinquent Special Tax with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel of Existing Property intending to prepay the Special Tax obligation at the Existing Property rate shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the Existing Property Prepayment Amount (defined below) for such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this calculation.

As of the proposed date of prepayment, the Existing Property Prepayment Amount shall be calculated as follows:

**<u>Paragraph No.:</u>**

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.

2. Compute the Maximum Special Tax at the Existing Property rate applicable to the Assessor's Parcel to be prepaid.

3. (a) Divide the Maximum Special Tax at the Existing Property rate computed pursuant to paragraph 2 by the total estimated Assigned Special Tax and Maximum Special Tax for all current Developed Property, Update Developed Property (assuming it is taxed as Developed Property), Approved Property (assuming it is taxed as Developed Property), Update Approved Property (assuming it is taxed as Developed Property), and the Maximum Special Tax for Existing Property within CFD No. 08-1, and

   (b) Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total estimated Backup Special Tax for Developed Property and Maximum Special Tax for Existing Property as of the date of the prepayment calculation for such parcel. For Update Developed Property, Approved Property and Update Approved Property estimate the Backup Special Tax using the then applicable amount computed pursuant to Section D (adjusted to reflect the reduction in Maximum Special Tax revenues from any Assessor's Parcels which have prepaid their Special Tax obligation in full or in part).

4. Continue the prepayment formula in Section J.1.A beginning with paragraph 4, except, that in all cases the larger quotient computed pursuant to paragraph 3(a) or 3(b) above shall be used instead of the larger quotient computed in 3(a) or 3(b) of Section J.2.A.

The Prepayment Amount may be sufficient to redeem other than a $5,000 increment of Bonds. In such cases, the increment above $5,000 or integral multiple thereof will be retained in the appropriate fund or account established under the Indenture to be used with the next redemption of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 of Section J.1.A, the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls.

With respect to any Assessor's Parcel of Existing Property that is prepaid, CFD No. 08-1 shall indicate in the records of CFD No. 08-1 that there has been a prepayment of the Special Tax.

**B. Deemed Partial Prepayment upon Reclassification of Existing Property**

If all or a portion of an Assessor's Parcel of Existing Property for which the Special Tax at the Existing Property rate has been prepaid pursuant to Section J.2.A. is, pursuant to the terms hereof, subsequent to such

prepayment classified as Approved Property or Developed Property, such prepayment shall, from and after the date of such classification, be deemed to be, and for all purposes hereof and of any and all matters relating to CFD No. 08-1 and the Special Tax shall be, a partial prepayment of the Special Tax obligation applicable to such Assessor's Parcel or portion thereof, the amount of which partial prepayment shall be determined as provided below.

**(1) Developed Property**

For Developed Property, the percentage of the partial prepayment of the Special Tax obligation shall be calculated as follows:

**Paragraph No.:**

1. Compute the Maximum Special Tax applicable to the Assessor's Parcel at the time of the prepayment as if it were Existing Property.

2. Compute the total Assigned Special Tax applicable to the Assessor's Parcel (or if subdivided, for all subsequent Assessor's Parcels) based on the Assigned Special Tax for all Developed Property located on such Assessor's Parcel(s).

3. Compute the percentage of the prepaid Special Tax by dividing the amount computed pursuant to paragraph 1 by the amount computed pursuant to paragraph 2.

With respect to any Assessor's Parcel that is partially prepaid, CFD No. 08-1 shall indicate in the records of CFD No. 08-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax equal to the outstanding percentage (1.00 – the percentage calculated in paragraph 3 above) of the remaining Maximum Special Tax shall continue to be levied on such Assessor's Parcel pursuant to Section F.

**(2) Approved Property**

For Approved Property, the percentage of the partial prepayment of the Special Tax obligation shall be calculated as follows:

**Paragraph No.:**

1. Compute the Maximum Special Tax applicable to the Assessor's Parcel at the time of the prepayment as if it were Existing Property.

2. Compute the total Maximum Special Tax applicable to the Assessor's Parcel (or if subdivided, for all subsequent

Assessor's Parcels) based on the Maximum Special Tax for the Approved Property located on such Assessor's Parcel(s).

3. Compute the percentage of the prepaid Special Tax by dividing the amount computed pursuant to paragraph 1 by the amount computed pursuant to paragraph 2.

With respect to any Assessor's Parcel that is partially prepaid, CFD No. 08-1 shall indicate in the records of CFD No. 08-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax equal to the outstanding percentage (1.00 – the percentage calculated in paragraph 3 above) of the remaining Maximum Special Tax shall continue to be levied on such Assessor's Parcel pursuant to Section F.

The percentage calculated pursuant to this section shall only be applicable while the Assessor's Parcel is classified as Approved Property and shall be recalculated pursuant to Section J.2.B.(1) above at the time such Assessor's Parcel becomes Developed Property.

Notwithstanding the foregoing, no full or partial prepayment shall be allowed unless the amount of the Maximum Special Tax that may be levied on Taxable Property (excluding Taxable Property Owner Association Property and Taxable Public Property) within CFD No. 08-1 both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

## K. TERM OF SPECIAL TAX

The Special Tax shall be levied on each Assessor's Parcel of Taxable Property for a period not to exceed forty years from the Fiscal Year in which such Assessor's Parcel is first classified as Developed Property or Existing Property, provided however, that for an Assessor's Parcel of Existing Property that is later reclassified as Approved Property or Developed Property, the forty year period shall be determined based on the Fiscal Year in which such Assessor's Parcel is first classified as Developed Property. Notwithstanding the foregoing no Special Tax shall be levied after Fiscal Year 2058-59.

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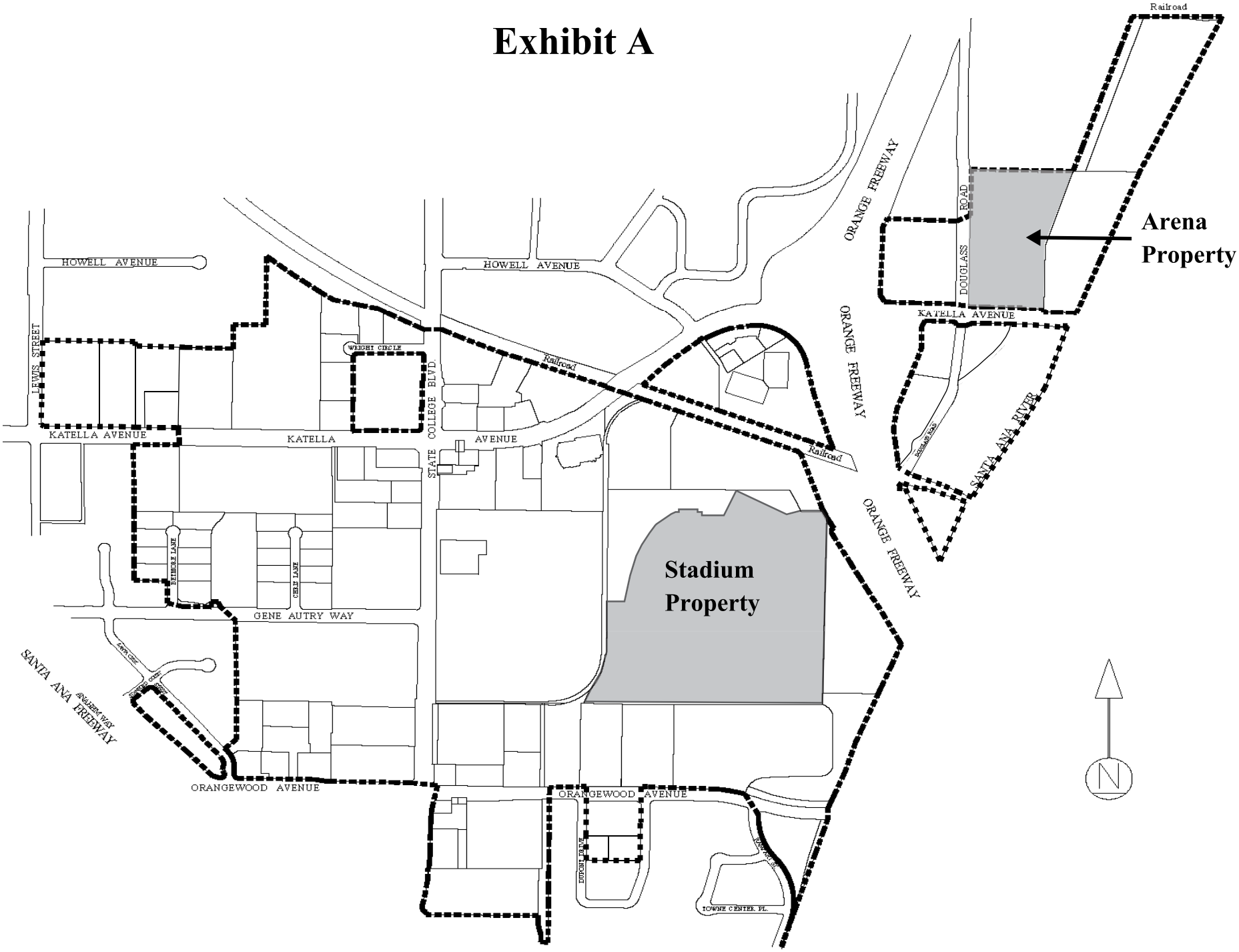
# EXHIBIT A

## MAP OF ARENA PROPERTY AND STADIUM PROPERTY

# Exhibit A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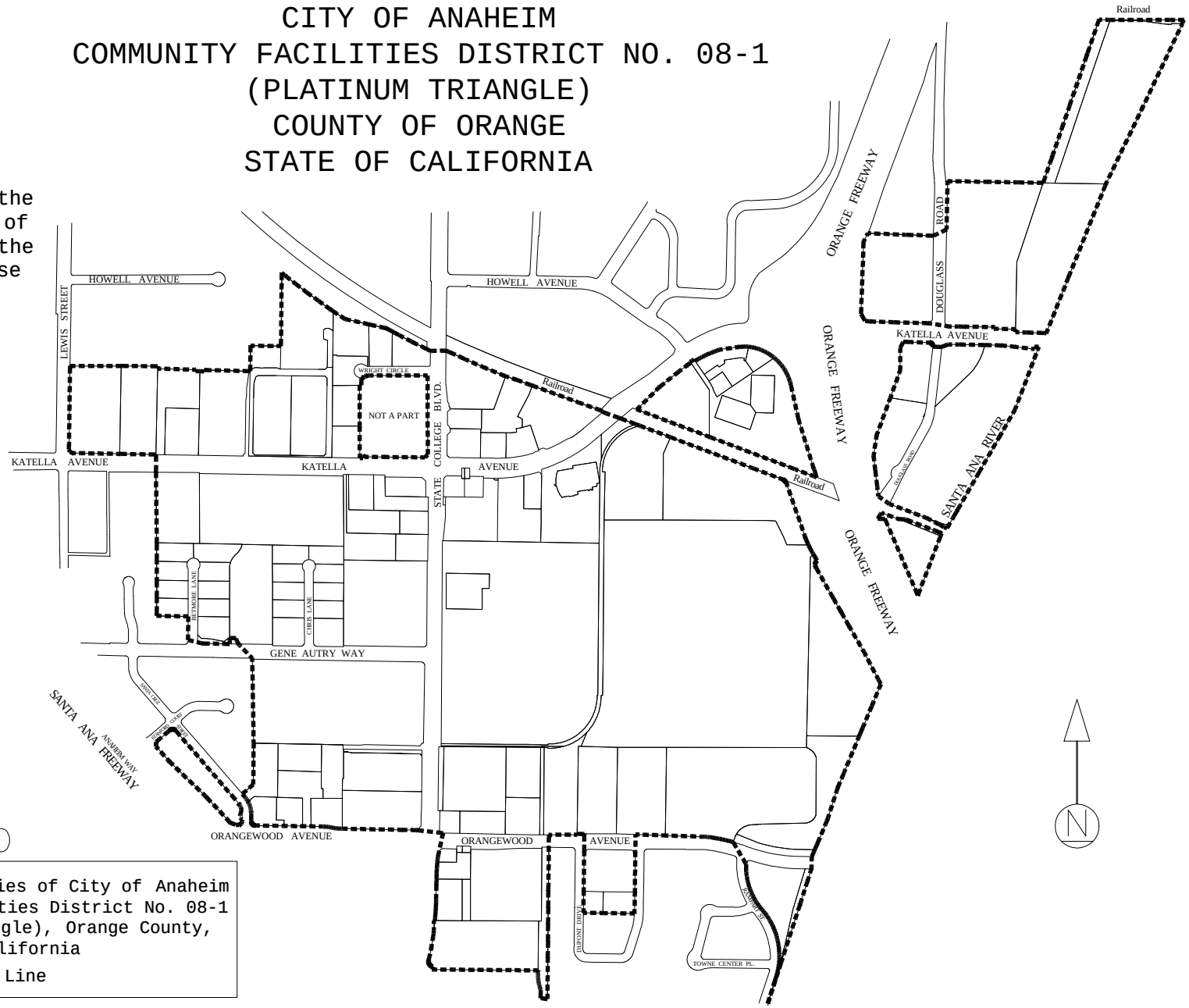
HOWELL AVENUE
LEWIS STREET
WRIGHT CIRCLE
KATELLA AVENUE
KATELLA
AVENUE
STATE COLLEGE BLVD
Railroad
Railroad
ORANGE FREEWAY
ORANGE FREEWAY
ORANGE FREEWAY
DOUGLASS ROAD
KATELLA AVENUE
SANTA ANA RIVER
Arena Property
Stadium Property
BEDMORE LANE
CERLE LANE
GENE AUTRY WAY
SANTA ANA FREEWAY
ANAHEIM WAY
ORANGEWOOD AVENUE
ORANGEWOOD AVENUE
DUPONT DRIVE
TOWNE CENTER PL.
N

# EXHIBIT B

## ORIGINAL CFD PROPERTY

# PROPOSED BOUNDARIES OF CITY OF ANAHEIM COMMUNITY FACILITIES DISTRICT NO. 08-1 (PLATINUM TRIANGLE) COUNTY OF ORANGE STATE OF CALIFORNIA

Reference is hereby made to the Assessor maps of the County of Orange for a description of the lines and dimensions of these lots and parcels.




## LEGEND

- Proposed Boundaries of City of Anaheim Community Facilities District No. 08-1 (Platinum Triangle), Orange County, California
- Assessor Parcel Line

# EXHIBIT C

## REVISED SPECIAL TAX RATES

## TABLE 1

### Revised Assigned Special Tax for Developed Property

| Land Use Class | Description | Residential Floor Area | Initial Determination Date FY _____ Assigned Special Tax | Subsequent Determination Date 1 FY _____ Assigned Special Tax | Subsequent Determination Date 2 FY _____ Assigned Special Tax | Subsequent Determination Date 3 FY _____ Assigned Special Tax | Subsequent Determination Date 4 FY _____ Assigned Special Tax | Subsequent Determination Date 5 FY _____ Assigned Special Tax | Subsequent Determination Date 6 FY _____ Assigned Special Tax | Subsequent Determination Date 7 FY _____ Assigned Special Tax | Subsequent Determination Date 8 FY _____ Assigned Special Tax | Subsequent Determination Date 9 FY _____ Assigned Special Tax |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Residential Property | ≥ 2,200 SF | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit |
| 2 | Residential Property | 2,000 – 2,199 SF | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit |
| 3 | Residential Property | 1,800 – 1,999 SF | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit |
| 4 | Residential Property | 1,600 – 1,799 SF | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit |
| 5 | Residential Property | 1,400 – 1,599 SF | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit |
| 6 | Residential Property | 1,200 – 1,399 SF | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit |
| 7 | Residential Property | 1,000 – 1,199 SF | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit |
| 8 | Residential Property | 800 – 999 SF | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit |
| 9 | Residential Property | < 800 SF | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit | $_____ per unit |
| 10 | Non-Residential Property | Not Applicable | $_____ per square foot of Non-Residential Floor Area | $_____ per square foot of Non-Residential Floor Area | $_____ per square foot of Non-Residential Floor Area | $_____ per square foot of Non-Residential Floor Area | $_____ per square foot of Non-Residential Floor Area | $_____ per square foot of Non-Residential Floor Area | $_____ per square foot of Non-Residential Floor Area | $_____ per square foot of Non-Residential Floor Area | $_____ per square foot of Non-Residential Floor Area | $_____ per square foot of Non-Residential Floor Area |

## TABLE 2
## Revised Maximum Special Tax for Approved Property and Existing Property

| Description | Initial Determination Date FY _____ Maximum Special Tax | Subsequent Determination Date 1 FY _____ Maximum Special Tax | Subsequent Determination Date 2 FY _____ Maximum Special Tax | Subsequent Determination Date 3 FY _____ Maximum Special Tax | Subsequent Determination Date 4 FY _____ Maximum Special Tax | Subsequent Determination Date 5 FY _____ Maximum Special Tax | Subsequent Determination Date 6 FY _____ Maximum Special Tax | Subsequent Determination Date 7 FY _____ Maximum Special Tax | Subsequent Determination Date 8 FY _____ Maximum Special Tax | Subsequent Determination Date 9 FY _____ Maximum Special Tax |
|---|---|---|---|---|---|---|---|---|---|---|
| Approved Property | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre |
| Existing Property | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre |

## TABLE 3
## Revised Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

| Description | Initial Determination Date FY _____ Maximum Special Tax | Subsequent Determination Date 1 FY _____ Maximum Special Tax | Subsequent Determination Date 2 FY _____ Maximum Special Tax | Subsequent Determination Date 3 FY _____ Maximum Special Tax | Subsequent Determination Date 4 FY _____ Maximum Special Tax | Subsequent Determination Date 5 FY _____ Maximum Special Tax | Subsequent Determination Date 6 FY _____ Maximum Special Tax | Subsequent Determination Date 7 FY _____ Maximum Special Tax | Subsequent Determination Date 8 FY _____ Maximum Special Tax | Subsequent Determination Date 9 FY _____ Maximum Special Tax |
|---|---|---|---|---|---|---|---|---|---|---|
| Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre | $_____ per Acre |

## TABLE 4
## Revised Backup Special Tax

| Description | Initial Determination Date FY _____ Backup Special Tax |
|---|---|
| Backup Special Tax | $0 per Acre |

The highlighted Special Taxes shown in Tables 1, 2, and 3 above shall take effect on July 1, _____ and shall be increased on each July 1, commencing on July 1, _____ by an amount equal to two percent (2%) of the amount in effect for the prior Fiscal Year, unless such Special Taxes are reduced pursuant to Section E in a later Fiscal Year.