

EXHIBIT "A"

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR WEST CAMARILLO COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF CAMARILLO

A Special Tax applicable to each Assessor's Parcel in West Camarillo Community Facilities District No. 1 (herein "CFD No. 1") shall be imposed and collected according to the tax liability determination by the City Council of the City of Camarillo acting in its capacity as the legislative body of CFD No. 1 (herein the "Board") through the application of the appropriate amount or rate for Sub Areas, as described below. All of the property in CFD No. 1, unless exempted by law or by the provisions herein, shall be taxed for the purposes, to the extent and in the manner herein provided.

SECTION A -- DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Airport North" means the Assessor's Parcels within Sub Area 6 as shown on Appendix 1 attached hereto.

"Amara" means the Assessor's Parcels located within Sub Area 15 as shown on Appendix 10 attached hereto and which were annexed to the CFD as Annexation #9.

"Annual Debt Service" means 110 percent of the gross debt service required in any Fiscal Year to pay the principal and interest on that portion of the bonds issued or obligations incurred by CFD No. 1 to finance the construction of existing bridge, drainage and sewer facilities as more particularly described in various documents approved by the City Council when the CFD was formed.

"Annual Special Tax" or "Special Tax" means Special Tax B, C, G, H, I, J, K, L, M, N and/or O, depending on the context, or any combination thereof.

"Assessor's Parcel" means a parcel of land designated on maps of the Ventura County Assessor and assigned a discrete identifying number.

"Clubhouse" means all of the facilities at and/or in support of the proposed "Spanish Hills" Golf Course, which includes all Assessor's Parcels within Sub Area 2 as shown on Appendix 1 attached hereto.

"Condominium/Townhouse" means any residential property other than a Single Family Detached unit or the Clubhouse located within Sub Area 3 as shown on Appendix 1 attached hereto.

“Developed Property” means all Assessor's Parcels in CFD No. 1 for which a final subdivision or tract map has been recorded on or before June 1 of the preceding Fiscal Year for the construction of a Condominium, Townhouse, Single Family Detached unit, the Clubhouse facility or a commercial or industrial facility.

“Equivalent Dwelling Unit” or “EDU” means a land use equivalency unit based on the expected benefit received from the construction of Existing Facilities relative to the benefit received by a Single Family Detached unit.

“Existing Facilities” means the facilities authorized to be constructed, acquired and financed by the CFD to serve both the existing properties within the CFD and future properties to be annexed to the CFD and includes existing bridge, sewer and drainage facilities.

“Existing Facilities District” means the Assessor's Parcels located within the proposed sewer, drainage and or bridge boundaries or benefit areas identified at the time that the CFD was formed, including but not limited to Sub Areas 1-15 as shown on Appendix 1 attached hereto.

“Freestyle” means the Assessor's Parcels within Sub Area 7 as shown on Appendix 1 attached hereto.

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

“G & H Property” means the southerly portion of Tract Map 5314 constituting approximately 5.7 acres which are located within Sub Area 12 as shown on Appendix 7 attached hereto and which was annexed to the CFD as Annexation No. 6.

“Home Depot” means Assessor's Parcel Nos. 230-0-020-135 and 230-0-020-195 which are located within Sub Area 11 as shown on Appendix 6 attached hereto and which were annexed to the CFD as Annexation #5.

“Gross Acreage or Acre” means the gross acreage as shown on the Assessor's Parcel Map, increased for internal and perimeter street right-of-way and public dedications and reduced for public parks, public schools and principal public utility rights-of-way. The special taxes for all commercial/industrial property shall be described in terms of Gross Acreage.

“Hertel” means the Assessor's Parcels located within Sub Area 8 as shown on Appendix 2 attached hereto and which was annexed to the CFD as Annexation #1.

“Hotel Site” means a portion of the property which is located within Sub Area 9 as shown on Appendix 11 attached hereto and which was annexed to the CFD as Annexation #10.

“Koll/Leonard” means the Assessor's Parcels located within Sub Area 5 as shown on Appendix 1 attached hereto.

“Lennar” means the Assessor's Parcels located within Sub Area 16 as shown on Appendix 12 attached hereto and which were annexed to the CFD as Annexation #11.

“Los Posas Car Wash” or *“LPCW”* means Assessor's Parcel Nos. 229-0-010-605 and 229-0-010-625 created as a result of Lot Line Adjustment No. 990017910 and which are located within Sub Area 9 as shown on Appendix 4 attached hereto and which were annexed to the CFD as Annexation #3.

“Prime Retail” means a portion of the property which is located within Sub Area 9 as shown on Appendix 3 attached hereto and which was annexed to the CFD as Annexation #2.

“Residential” means all residential property including Single Family Detached, Condominium/Townhouse unit and the Clubhouse.

“Single Family Detached” means a single family detached residential unit.

“Special Tax A” means the Special Tax determined in accordance with Section C hereof which can be imposed by the Board in any Fiscal Year for Sub Area 5.

“Special Tax B” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for Sub Area 6.

“Special Tax C” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for Sub Areas 1, 2, 3 and 4.

“Special Tax D” means the Special Tax determined in accordance with Section C hereof for Sub Area 7 to be prepaid prior to issuance of bonds.

“Special Tax E” means the one-time payment by a developer in accordance with Section C hereof.

“Special Tax F” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for Sub Area 8.

“Special Tax G” means the Special Tax determined in accordance with Section C hereof which Fiscal Year the Board in any Fiscal Year can impose for Sub Area 9.

“Special Tax H” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for Sub Area 10.

“Special Tax I” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for Sub Area 11.

“Special Tax J” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for Sub Area 12.

“Special Tax K” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for Sub Area 13.

“Special Tax L” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for that portion of Sub Area 14 that is proposed to be developed for residential use.

“Special Tax M” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for that portion of Sub Area 14 that is proposed to be developed for non-residential use.

“Special Tax N” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for Sub Area 15.

“Special Tax O” means the Special Tax determined in accordance with Section C hereof which may be imposed by the Board in any Fiscal Year for Sub Area 16.

“Taxable Property” means all of the area within the boundaries of CFD No. 1 which is not exempt from the Annual Special Tax pursuant to law or Section E below.

“Tract 4227” means the Assessor's Parcels within Sub Area 1 as shown on Appendix 1 attached hereto.

“Tract 4397” means the Assessor's Parcels within Sub Area 4 as shown on Appendix 1 attached hereto.

“Tract 5127” means the Assessor's Parcels located within Sub Area 10 as shown on Appendix 5 attached hereto and which were annexed to the CFD as Annexation #4.

“Tract 5561” means the Assessor's Parcels located within Sub Area 13 as shown on Appendix 8 attached hereto and which were annexed to the CFD as Annexation #7.

“Tract 5671” means the Assessor's Parcels located within Sub Area 14 as shown on Appendix 9 attached hereto and which were annexed to the CFD as Annexation #8.

“Undeveloped Property” means all Taxable Property in CFD No. 1 not classified as Developed Property.

SECTION B -- ASSIGNMENT TO SUB AREAS

As of July 1 of each year, all Taxable Property within CFD No. 1 shall be subject to special taxation in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

For purposes of determining the applicable Annual Special Tax pursuant to Section C, Taxable Property shall be assigned to one of the fifteen Sub Areas (1 through 15) designated in Table 1 below based on the definitions above. CFD No. 1 contains eleven developments which have been separated into fifteen (15) Sub Areas. The EDUs have been calculated and assigned to each Sub Area as shown on Table 1.

Table 1
Gross Acreage and EDUs Assigned to Each Sub Area

Sub Area	Description	EDU's	Gross Acres
1	Tract 4227 - SF	155.0	190.96
2	Clubhouse	28.0	221.29
3	Condominium/Townhouse	72.8	11.40
4	Tract 4397 - SF	81.0	46.16
5	Koll/Leonard ⁽¹⁾	516.0	89.93
6	Airport North	272.0	49.00
7	Freestyle ⁽¹⁾	N/A	2.97
8	Hertel ⁽¹⁾	290.0	237.43
9	Prime Retail, LPCW & Hotel Site	393.7	71.02
10	Tract 5127	11.0	16.10
11	Home Depot	121.0	21.76
12	G & H Property	32.0	5.70
13	Tract 5561	326.4	47.79
14	Tract 5671	419.9	52.01
15	Amara	247.8	45.04
16	Lennar	159.0	43.30

(1) No longer applicable - the Sub Area either mitigated its special tax obligation prior to CFD formation or has otherwise satisfied its CFD obligations but is included in Table 1 to preserve the record of CFD properties which were subject to the levy of special taxes at the time of CFD formation.

SECTION C -- MAXIMUM SPECIAL TAX RATE

Table 2 shows the maximum Annual Special Tax Rates that may be imposed within CFD No. 1 starting in Fiscal Year 2023-24.

Table 2
Maximum Annual Special Tax Rates ⁽¹⁾

SpecialTax	Maximum Annual Tax Rate
A	Not applicable
B	\$773.44/Gross Acre
C	\$1,145.67/EDU
D	Not applicable
E	One-Time Payment, if applicable
F	Not applicable
G	\$773.44/Gross Acre
H	\$1,132.04/EDU
I	\$773.44/Gross Acre
J	\$773.44/Gross Acre
K	\$113.24/EDU
L	\$88.20/EDU
M	\$773.44/Gross Acre
N	\$773.44/Gross Acre
O	\$199.97/EDU

(1) Not applicable - the Sub Area either mitigated its special tax obligation prior to CFD formation or has otherwise satisfied its CFD obligations but is included in Table 1 to preserve the record of CFD properties which were subject to the levy of special taxes at the time of CFD formation.

1. Special Tax A.

Special Tax A applies to each Assessor's Parcel of Taxable Property within Sub Area 5, and with the defeasance of all bonds issued to fund the sewer component, Special Tax A is no longer applicable as indicated in Table 2.

2. Special Tax B.

Special Tax B applies to each Assessor's Parcel of Taxable Property within Sub Area 6, and covers Sub Area 6's share of Existing Facilities constructed by CFD No. 1. As shown in Table 2, the Maximum Annual Special Tax B shall be \$773.44 per Gross Acre, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board.

3. Special Tax C.

Special Tax C applies to each Assessor's Parcel of Taxable Property within Sub Areas 1, 2, 3 and 4, and covers these Sub Areas' share of Existing Facilities constructed by CFD No. 1. Developed property which constitutes a Single Family Detached unit shall be taxed as one (1.0) EDU. Developed Property which constitutes a Condominium/Townhouse unit shall be taxed as eight-tenths of one (0.8) EDU. The Clubhouse shall be taxed as twenty-eight (28.0) EDUs. Undeveloped Property within Sub Areas 1, 3 and 4 shall be taxed at the rate shown in Table 2 based on the difference between the EDUs shown in Table 1 and the total EDUs associated with Developed Property in each such Sub Area. As shown in Table 2, the Maximum Annual Special Tax C shall be \$1,145.67 per EDU, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board.

4. Special Tax D.

Special Tax D was to be prepaid prior to the issuance of bonds and is no longer applicable as indicated in Table 2.

5. Special Tax E.

Special Tax E applies to residential developments for which Special Tax Rates have been established or allocated on an EDU basis. The purpose of this tax is to collect moneys sufficient to offset the reduction in future special taxes resulting from an actual reduction in residential density from estimated residential density. This Special Tax E is applied to residential developments only in the event that the actual number of Equivalent Dwelling Units (EDUs) constructed or to be constructed is less than the number of EDUs used in the determination or allocation of the Maximum Special Tax Rates to the subject development.

This Special Tax E shall be applied in the manner hereinafter described, and shall be used to pay debt service, facilities costs and other expenses of CFD No. 1 arising from obligations incurred based on an assigned number of Total EDU's shown in Table 1. If applicable, Special Tax E shall be paid (i) by the landowner and (ii) on a one-time, lump sum basis, prior to recording a final map

or amending an existing final map. Payment of Special Tax E shall be required if and when the number of residential lots and units within the boundaries of a final subdivision or tract map ("the Subject Area") is adjusted and results in a new number of EDU's ("Adjusted EDU's") which is less than the number of assigned EDU's ("Assigned EDUs") within the corresponding Sub Area containing such map, as shown in Table 1.

The amount of Special Tax E for a Subject Area will be computed in accordance with the prepayment methodology described in *Section F – Prepayment of Special Taxes* based on the difference between the Assigned EDUs and the Adjusted EDUs within the Subject Area.

6. Special Tax F.

Special Tax F applies to each Assessor's Parcel of Taxable Property within Sub Area 8. In conjunction with the issuance of bonds to refunding outstanding debt of the CFD in 2017, the City Council adopted a resolution to eliminate the authority to issue additional debt to fund certain future facilities. As a result of this action, this Sub Area's share of Existing Facilities was eliminated as well as any corresponding special tax obligation.

7. Special Tax G.

Special Tax G applies to each Assessor's Parcel of Taxable Property within Sub Area 9 and covers Sub Area 9's share of Existing Facilities to be constructed by CFD No. 1. The Existing Facilities component of Special Tax G shall not exceed the maximum amount per Gross Acre shown in Table 2. As shown in Table 2, the Existing Facilities component of the Maximum Annual Special Tax G shall be \$773.44 per Gross Acre, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board.

8. Special Tax H.

Special Tax H applies to each Assessor's Parcel of Taxable Property within Sub Area 10 and covers Sub Area 10's share of Existing Facilities constructed by CFD No. 1. Developed property which constitutes a Single Family Detached unit shall be taxed as one (1.0) EDU. As shown in Table 2, the Maximum Annual Special Tax H shall be \$1,132.04 per EDU, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board

9. Special Tax I.

Special Tax I applies to each Assessor's Parcel of Taxable Property within Sub Area 11 and covers Sub Area 11's share of Existing Facilities to be constructed by CFD No. 1. The Existing Facilities component of Special Tax I shall not exceed the maximum amount per Gross Acre shown in Table 2. As shown in Table 2, the Existing Facilities component of the Maximum Annual Special Tax I shall be \$773.44 per Gross Acre, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board.

10. Special Tax J.

Special Tax J applies to each Assessor's Parcel of Taxable Property within Sub Area 12 and covers Sub Area 12's share of Existing Facilities to be constructed by CFD No. 1. The Existing Facilities component of Special Tax J shall not exceed the maximum amount per Gross Acre shown in Table 2. As shown in Table 2, the Existing Facilities component of the Maximum Annual Special Tax J shall be \$773.44 per Gross Acre, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board.

11. Special Tax K.

Special Tax K applies to each Assessor's Parcel of Taxable Property within Sub Area 13 and covers Sub Area 13's share of Existing Facilities constructed by CFD No. 1. Developed property which constitutes a Single Family Detached unit shall be taxed as one (1.0) EDU. Developed Property which constitutes a Condominium/Townhouse unit shall be taxed as eight-tenths of one (0.8) EDU. Undeveloped Property within Sub Area 13 shall be taxed at the rate shown in Table 2 based on the difference between the EDUs shown in Table 1 and the total EDUs associated with Developed Property in each such Sub Area. As shown in Table 2, the Maximum Annual Special Tax K shall be \$113.24 per EDU, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board.

12. Special Tax L.

Special Tax L applies to each Assessor's Parcel of Taxable Property within Sub Area 14 that is proposed for residential use and covers a portion of Sub Area 14's share of Existing Facilities constructed by CFD No. 1. Developed property which constitutes a Single Family Detached unit shall be taxed as one (1.0) EDU. Developed Property which constitutes a Condominium/Townhouse unit shall be taxed as eight-tenths of one (0.8) EDU. Undeveloped Property proposed for residential use within Sub Area 14 shall be taxed at the rate shown in Table 2 based on the difference between the EDUs shown in Table 1 and the total EDUs associated with Developed Property proposed for residential use in Sub Area 14. As shown in Table 2, the Maximum Annual Special Tax L shall be \$88.20 per EDU, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board.

13. Special Tax M.

Special Tax M applies to each Assessor's Parcel of Taxable Property within Sub Area 14 that is proposed for non-residential use and covers a portion of Sub Area 14's share of Existing Facilities to be constructed by CFD No. 1. The Existing Facilities component of Special Tax M shall not exceed the maximum amount per Gross Acre shown in Table 2. As shown in Table 2, the Existing Facilities component of the Maximum Annual Special Tax M shall be \$773.44 per Gross Acre, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board.

14. Special Tax N.

Special Tax N applies to each Assessor's Parcel of Taxable Property within Sub Area 15 and covers Sub Area 15's share of Existing Facilities to be constructed by CFD No. 1. The Existing Facilities component of Special Tax N shall not exceed the maximum amount per Gross Acre shown in Table 2. As shown in Table 2, the Existing Facilities component of the Maximum Annual Special Tax N shall be \$773.44 per Gross Acre, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board.

15. Special Tax O.

Special Tax O applies to each Assessor's Parcel of Taxable Property within Sub Area 16 and covers Sub Area 16's share of Existing Facilities constructed by CFD No. 1. Developed property which constitutes a Single Family Detached unit shall be taxed as one (1.0) EDU. As shown in Table 2, the Maximum Annual Special Tax O shall be \$199.97 per EDU, which shall only be imposed and collected after bonds or other obligations for the Existing Facilities are authorized for issuance and sale by the Board

SECTION D -- METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Starting in Fiscal Year 2023-24 and for each of the following Fiscal Years, the Board shall determine the amount of money to be collected from Taxable Property in CFD No. 1 in that Fiscal Year. Such amount shall include the sums determined by CFD No. 1 to be necessary to pay for current and future debt service on bonded indebtedness (including redemption of bonds prior to maturity) of CFD No. 1, to create or replenish reserve funds determined necessary by CFD No. 1, and to pay for all administrative, maintenance and construction expenses and any other services paid from Special Tax proceeds.

Beginning in Fiscal Year 2023-24, the Board shall impose the special taxes as follows until the amount of the special taxes equals the amount to be collected:

First: Special Taxes B, C, G, H, I, J, K, L, M, N and O shall be imposed in equal percentages on each Assessor's Parcel of Taxable Property, exclusive of property exempt from Special Tax pursuant to Section E below, at up to 91 percent of the Maximum Annual Special Tax Rates shown in Table 2 as provided in Section C.

Special Tax B shall be imposed and collected with respect to each Assessor's Parcel within Sub Area 6 each Fiscal Year as provided in Section C.

Special Tax C shall be imposed and collected with respect to each Assessor's Parcel within Sub Areas 1, 2, 3 and 4 each Fiscal Year as provided in Section C.

Special Tax G shall be imposed and collected with respect to each Assessor's Parcel within Sub Area 9 each Fiscal Year as provided in Section C.

Special Tax H shall be imposed and collected with respect to each Assessor's Parcel within Sub Area 10 each Fiscal Year as provided in Section C.

Special Tax I shall be imposed and collected with respect to each Assessor's Parcel within Sub Area 11 each Fiscal Year as provided in Section C.

Special Tax J shall be imposed and collected with respect to each Assessor's Parcel within Sub Area 12 each Fiscal Year as provided in Section C.

Special Tax K shall be imposed and collected with respect to each Assessor's Parcel within Sub Area 13 each Fiscal Year as provided in Section C.

Special Tax L and Special Tax M shall be imposed and collected with respect to each Assessor's Parcel within Sub Area 14 each Fiscal Year as provided in Section C.

Special Tax N shall be imposed and collected with respect to each Assessor's Parcel within Sub Area 15 each Fiscal Year as provided in Section C.

Special Tax O shall be imposed and collected with respect to each Assessor's Parcel within Sub Area 16 each Fiscal Year as provided in Section C.

Second: If additional revenues are needed after the first step has been completed, Special Taxes B, C, G, H, I, J, K, L, M, N and O shall be increased in equal percentages above the rates levied pursuant to the First Step above, up to 100 percent of the Maximum Annual Special Tax Rates shown in Table 2 as provided in Section C.

SECTION E -- LIMITATIONS

The Board shall not levy a Special Tax on properties or entities of the state, federal or other local governments except as otherwise provided in Section 53317.3 of the Government Code, pursuant to Section 53340 of the Government Code. This may include the property which is an unmanned utility property, public schools, public parks, or other property owned by a public agency.

SECTION F -- PREPAYMENT OF SPECIAL TAXES

The Board has established a method for landowners and residents to prepay in its entirety the Special Tax levied and which is expected to be levied on their parcel. For any portion of the parcel's special tax obligation for which bonds are outstanding, the prepayment amount includes a parcel's pro rata share of:

- a) The present value of future debt service due during any bond call protection period,
- b) Bond principal outstanding subsequent to any bond-call protection period,
- c) A Reserve Fund Credit,
- d) All applicable redemption premiums and bond call fees,

- e) Investment loss (negative arbitrage) incurred during any call-protection period, and
- f) Administrative and incidental costs incurred by CFD No. 1 with respect to the prepayment and the removal of the lien on such parcel.

SECTION G -- ANNEXATIONS INTO CFD No. 1

The Special Tax Rates shown in Table 2 are maximums and shall not be increased. The Board hereby declares its policy and intent that in the event of future annexations, if any, of properties not previously included within the boundaries of CFD No. 1, including areas designated for future annexation, the Maximum Annual Special Taxes in each Fiscal Year following such annexations may be reduced by apportionment below the levels shown in Table 2. Said reductions may occur and take effect without the need for a public hearing or election provided the Board approves by resolution the reduced Maximum Annual Special Taxes and certifies compliance with any and all applicable bond covenants regarding the reduction of Maximum Annual Special Taxes.

SECTION H -- MANNER OF COLLECTION

The Special Taxes for CFD No. 1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, except as provided herein, provided however, that CFD No. 1 may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations. The Special Tax shall be subject to the same penalties and procedures, sale and lien priority in case of delinquency as is provided for ad valorem taxes. In the event of a delinquency, CFD No. 1 will pursue foreclosure in a timely manner.

SECTION I -- REVIEW/APPEAL COUNCIL

The Board shall establish as part of the proceedings and administration of CFD No. 1 a three-member Review/Appeal Council. Any landowners or residents who desire to protest the accuracy of the amount of the Special Tax imposed on their parcel may file a notice with the Review/Appeal Council, appealing the amount of the Special Tax assigned to such parcel. The Review/Appeal Council shall make determinations relative to the annual administration of the Special Tax pursuant to this Rate and Method of Apportionment of the Special Tax and of any landowner or resident appeals hereunder, as herein specified.

SECTION J -- ISSUANCE OF SERIES OF BONDS

The Board has issued and defeased certain bonds issued for Existing Facilities. Additionally, the Board has also issued bonds for the construction of the other Existing Facilities which are currently outstanding. Future series of bonds may be issued at such time as determined by the Board for the purpose of refunding outstanding bonds or for construction, repair or modernization of the Existing Facilities as future development and annexations occur. However, any issuance of additional bonds cannot result in an increase in the applicable Maximum Tax Rates in effect at the time of such issuance and the final maturity of any additional bonds may not exceed September 1, 2034.

SECTION K -- REDUCTION OF MAXIMUM SPECIAL TAX RATES

In the event the Board determines to only reduce all or a portion of the Maximum Special Tax Rates on a pro rata basis due to reduced cost of the Facilities, the Board shall conduct proceedings in accordance with Government Code Section 53330 et seq., provided an election shall not be required to make such reductions. The Board may also reduce all or a portion of the Maximum Special Tax rates due to annexations as provided in Section G.