

**SECOND AMENDED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR
PINEHURST PUBLIC FACILITIES
IMPROVEMENT AREA NO. 2 OF
COMMUNITY FACILITIES DISTRICT NO. 2005-1
OF THE
ETIWANDA SCHOOL DISTRICT**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 2 ("Improvement Area No. 2" or "IA2") of Pinehurst Public Facilities Community Facilities District No. 2005-1 of the Etiwanda School District ("CFD No. 2005-1") and collected each Fiscal Year, in an amount determined by the Board of Education of the Etiwanda School District (the "Board" or the "District") through the application of the appropriate Special Tax for "Developed Property," "Undeveloped Property," "Final Mapped Property," "Taxable Association Property," and "Taxable Public Property" as described below. All of the real property within Improvement Area No. 2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on the 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, lot line adjustment, condominium plan, or other recorded parcel map.

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

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2005-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the District, CFD No. 2005-1, or a designee thereof); the costs of collecting the Special Taxes (whether by the District or otherwise); the costs of remitting the Special Taxes to the fiscal agent or trustee; the costs of the fiscal agent or trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the District, CFD No. 2005-1, or any designee thereof, of complying with arbitrage rebate requirements; the costs to the District, CFD No. 2005-1, or any designee thereof, of complying with District, CFD No. 2005-1 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 District, CFD No. 2005-1, or any designee thereof, related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account. Administrative Expenses shall also include amounts advanced by the District or CFD No. 2005-1 for any other administrative purposes of CFD No.

2005-1, including attorney's fees, and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"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 of San Bernardino designating parcels by Assessor's Parcel numbers.

"Association Property" means any property owned by, irrevocably offered or dedicated to, or for which an easement for purposes of right of way has been granted, to a property owner association, including any master or sub-association.

"Assigned Special Tax" means the Special Tax for each Land Use Category of Developed Property, as determined in accordance with Section C.1.a. below.

"Backup Special Tax" means the Special Tax amount set forth in Section C.1.b. below.

"Bonds" means any bonds or other indebtedness (as defined in the Act) secured by the levy of Special Taxes.

"CFD No. 2005-1" means Community Facilities District No. 2005-1 of the Etiwanda School District.

"CFD Administrator" means an official of the District, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"Developed Property" means all Assessor's Parcels, exclusive of Taxable Association Property and Taxable Public Property, for which a building permit has been issued as of June 30 of the Fiscal Year preceding the Fiscal Year for which Special Taxes are being levied.

"Final Mapped Property" means as of January 1st of the preceding Fiscal year, property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which building permits may be issued without further subdivision.

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

"Improvement Area No. 2 or IA2" means that portion of property located within the boundaries of CFD No. 2005-1 that is also within Improvement Area No. 2 as depicted or otherwise described on the Amended Boundary Map of CFD No. 2005-1, dated March 12, 2024.

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

“Land Use Category” means any of the categories listed in Table 1.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C, which can be levied in any Fiscal Year on any Assessor’s Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued for a non-residential use.

“Proportionately” means for Developed Property that the ratio of the actual Special Tax levy to the Assigned Special Tax is the same for all Assessors’ Parcels of Developed Property. For Undeveloped Property, Taxable Association Property and Taxable Public Property, “Proportionately” means that the ratio of the actual Special Tax levy per acre to the Maximum Special Tax per acre is the same for all Assessor’s Parcels of Undeveloped Property, Taxable Association Property and Taxable Public Property.

“Public Property” means any property owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted, to the federal government, the State of California, the County of San Bernardino, the City of Rancho Cucamonga or any local government or other public agency, provided 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 according to its use.

“RMA” means this Second Amended Rate & Method of Apportionment of Special Tax, or subsequent amended Rate & Method of Apportionment applicable to Improvement Area No. 2.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit has been issued for the purposes of constructing one or more residential dwelling units.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required in any Fiscal Year for CFD No. 2005-1 to: (i) pay debt service on all outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses allocated to IA2; (iv) pay any amounts required to establish or replenish any reserve funds for the outstanding Bonds; (v) pay for the acquisition, construction and rehabilitation of school facilities provided that the inclusion of such amount does not cause an increase in the Special Tax to be levied on Final Mapped Property or Undeveloped Property; less (vi) a credit for funds available to reduce the annual Special Tax levy as determined pursuant to the Indenture.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of Improvement Area No. 2 that are not exempt from the Special Tax pursuant to law or Section E below.

“Taxable Association Property” means all Association Property, if any, which is not exempt from the Special Tax pursuant to Section E below.

“Taxable Public Property” means all Public Property which is not exempt from the Special Tax pursuant to Section E below.

“Tax Zone A” means that portion of property located within the boundaries of Tax Zone “A” of IA2 as depicted or otherwise described on the Amended Boundary Map of CFD No. 2005-1, dated March 12, 2024.

“Tax Zone B” means that portion of property located within the boundaries of Tax Zone “B” of IA2 as depicted or otherwise described on the Amended Boundary Map of CFD No. 2005-1, dated March 12, 2024.

“Tax Zone C” means that portion of property located within the boundaries of Tax Zone “C” of IA2 as depicted or otherwise described on the Amended Boundary Map of CFD No. 2005-1, dated March 12, 2024.

“Undeveloped Property” means all Taxable Property not classified as Developed Property or Final Mapped Property, exclusive of Taxable Association Property and Taxable Public Property.

B. ASSIGNMENT TO CLASS AND LAND USE CATEGORY

Each Fiscal Year, all Taxable Property within Improvement Area No. 2 shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Association Property, or Public Property and shall be subject to the levy of Special Taxes in accordance with this RMA as determined pursuant to Sections C and D below. Developed Property which satisfies the criteria for Residential Property and Non-Residential Property shall be assigned thereto. Association Property and Public Property which is not exempt from the Special Tax shall be assigned to Taxable Association Property and Taxable Public Property, respectively.

For purposes of determining the applicable Table 1 Assigned Special Tax for Developed Property, each Assessor’s Parcel of Residential Property shall be assigned to one of the categories in Land Use Category 1 through 8 based upon (i) the location of the Assessor’s Parcel and (ii) the home square footage constructed or to be constructed on such Assessor’s Parcel and each Assessor’s Parcel of Non-Residential Property shall be assigned to a Land Use Category based upon its location within Improvement Area No. 2. With respect to Residential Property, the home square footage shall be determined from the initial building permit issued for the Assessor’s Parcel and shall be exclusive of garages or other structures which are not used as living space.

C. MAXIMUM SPECIAL TAX RATE**1. Developed Property**

The Maximum Special Tax for each Assessor's Parcel of Residential Property classified as Developed Property shall be the greater of: (i) the applicable Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

The Maximum Special Tax for each Assessor's Parcel of Non-Residential Property classified as Developed Property shall be the Assigned Special Tax.

a. Assigned Special Tax

The Assigned Special Tax for each Land Use is shown in Table 1:

TABLE 1

Assigned Special Taxes for Developed Property
Located in Improvement Area No. 2 of
Community Facilities District No. 2005-1

Land Use Category	Tax Zone	Taxable Unit	Square Footage of Dwelling Units	Assigned Special Tax
1 - Residential Property	A	D/U	< 3,801	\$6,489
2 - Residential Property	A	D/U	3,801 – 4,100	\$6,682
3 - Residential Property	A	D/U	> 4,100	\$7,394
4 - Residential Property	B	D/U	< 3,200	\$6,016
5 - Residential Property	B	D/U	3,201– 3,500	\$6,135
6 - Residential Property	B	D/U	3,501– 3,800	\$6,489
7 - Residential Property	B	D/U	> 3,800	\$6,682
8 - Residential Property	C	D/U	N/A	\$2,000
9 - Non-Residential Property	A	Acre	N/A	\$25,308
10 - Non-Residential Property	B	Acre	N/A	\$25,308
11 - Non-Residential Property	C	Acre	N/A	\$9,662

b. Backup Special Tax

The Backup Special Tax attributable to each Acre of a Final Mapped Property is equal to the amount shown in Table 2.

TABLE 2

Backup Special Tax applicable to Developed Property
Located in Improvement Area No. 2 of
Community Facilities District No. 2005-1

Tax Zone	Subdivision Tract No(s).	Backup Special Tax Per Acre
A	16072-2	\$25,308
B	16072-3	\$25,308
C	18908	\$9,662

The Backup Special Tax attributable to Assessor's Parcels classified or to be classified Residential Property and previously classified as Final Mapped Property is equal to the Backup Special Tax per Acre shown in Table 2 multiplied by the total Acreage of all Assessor's Parcels classified or to be classified as Residential Property within such Final Mapped Property of the applicable Tax Zone and dividing such amount by the number of Assessor's Parcels classified or to be classified as Residential Property (i.e., the number of residential lots) within such Final Mapped Property.

Notwithstanding the foregoing, if Assessor's Parcels of Residential Property are subsequently changed or modified by recordation of a lot line adjustment or similar instrument, then the Backup Special Tax shall be recalculated to equal the amount of the Backup Special Tax that would have been generated if such change did not take place.

2. Undeveloped Property, Final Mapped Property, Taxable Association Property and Taxable Public Property

The Maximum Special Tax for Undeveloped Property, Final Mapped Property, Taxable Association Property and Taxable Public Property located within Tax Zone A shall be \$25,308 per Acre.

The Maximum Special Tax for Undeveloped Property, Final Mapped Property, Taxable Association Property and Taxable Public Property located within Tax Zone B shall be \$25,308 per Acre.

The Maximum Special Tax for Undeveloped Property, Final Mapped Property, Taxable Association Property and Taxable Public Property located within Tax Zone C shall be \$9,662 per Acre.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2024-25 and for each following Fiscal Year, the CFD Administrator shall compute the Special Tax Requirement and shall levy the Special Tax until

the amount of Special Taxes equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax 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 Final Mapped Property at up to 100% of the Maximum Special Tax for Final Mapped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two 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;

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax to be levied on each Assessor's Parcel of Developed Property whose Maximum Special Tax is derived by the application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Association Property and Taxable Public Property up to the applicable Maximum Special Tax.

Notwithstanding the above, under no circumstances will the Special Taxes 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 ten percent (10%) per Fiscal Year as a consequence of delinquency or default by the owner of any other Assessor's Parcel within IA2.

E. EXEMPTIONS

1. The CFD Administrator shall classify the following Assessor Parcel(s) as exempt property: (i) Public Property, (ii) Association Property, and (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; provided, however, that no such classification shall reduce the sum of all (a) Taxable Property within Tax Zones A and B to less than 40.58 Acres; or (c) Taxable Property within Tax Zone C to less than 6.21 Acres. Assessor's Parcels which cannot be classified as exempt property because such classification would reduce the Acreage of Taxable Property to less than the Acres set forth in this paragraph will be classified as either Taxable Public Property, Taxable Association Property, or Undeveloped Property, as applicable and shall be taxed as such. Tax exempt status for purposes of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes exempt property.

2. The Maximum Special Tax obligation for any property which would be classified as Public Property upon its transfer or dedication to a public agency but which cannot be classified as exempt property as described in paragraph 1 of Section E shall be prepaid in full by the seller pursuant to Section H, prior to the transfer/dedication of such property to such public agency. Until the Maximum Special Tax obligation for any such Public Property is prepaid, the property shall continue to be subject to the levy of the Special Tax as Taxable Public Property.

F. 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. 2005-1 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, and may covenant to foreclose and may actually foreclose on Assessor's Parcels having delinquent Special Taxes as permitted by the Act.

G. APPEALS

Any landowner or resident who feels that the amount of the Special Tax levied on their Assessor's Parcel is in error may submit a written appeal to CFD No. 2005-1. The CFD Administrator shall review the appeal and if the CFD Administrator concurs, the amount of the Special Tax levied shall be appropriately modified.

The Board may interpret this RMA for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the Board shall be final and binding as to all persons.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means with respect to Improvement Area No. 2, \$13,000,000 or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities under the authorized bonding program of the CFD, or (ii) shall be determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes as levied under this Rate and Method of Apportionment.

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"Construction Inflation Index" means 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 CFD Public Facilities minus public facility costs available to be funded through existing construction or escrow accounts or funded by the Outstanding Bonds, and minus public facility costs funded by interest earnings on the Construction Fund actually earned prior to the date of prepayment.

“Outstanding Bonds” means all previously-issued Bonds that will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of Maximum Special Taxes.

A. Prepayment in Full

The Maximum Special Tax obligation may only be prepaid and permanently satisfied by an Assessor’s Parcel of Developed Property and/or Undeveloped Property, for which a building permit has been issued, and Public Property and/or Taxable Association Property that is not Exempt Property pursuant to Section E. The Maximum Special Tax obligation applicable to such Assessor’s Parcel 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 Maximum Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay, and within 5 business days of receipt of such notice, the CFD Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 2005-1 in calculating the proper amount of a prepayment. Within 15 days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor’s Parcel. Prepayment must be made not less than 60 days prior to any redemption date for any Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount (defined below) 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 (defined below) shall be calculated as follows:

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.
2. For Assessor’s Parcels of Developed Property, compute the Maximum Special Tax for the Assessor’s Parcel to be prepaid. For Assessor’s Parcels of Undeveloped Property

to be prepaid, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel. For Assessor's Parcels of Public Property and/or Taxable Association Property to be prepaid, compute the Maximum Special Tax for that Assessor's Parcel.

3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total estimated Maximum Special Taxes based on the aggregate Special Tax projected to be levied against Developed Property at buildout, or if at buildout the actual Special Tax to be levied against Developed Property, less any Assessor's Parcels which have been prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (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 Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 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 and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Compute the 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, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding 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 (as defined in the Indenture), if any,

associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.

14. The Maximum 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 as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. 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. 2005-1.

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 established under the Indenture to be used with the next prepayment 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 of San Bernardino tax rolls. With respect to any Assessor's Parcel that is prepaid, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Taxes that may be levied on Taxable Property both prior to and after the proposed prepayment is at least 1.1 times the maximum principal and interest due in any Fiscal Year of all Outstanding Bonds plus the anticipated Administrative Expenses.

Tenders of Bonds in prepayment of Maximum Special Taxes may be accepted upon the terms and conditions established by the Board pursuant to the Act. However, the use of Bond tenders shall only be allowed on a case-by-case basis as specifically approved by the Board.

B. Prepayment in Part

The Maximum Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a building permit has been issued may be partially prepaid in increments of \$2,000. The amount of the prepayment shall be calculated as in Section H.1; 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 H.1

F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Maximum Special Tax.

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

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Maximum Special Tax, (ii) the amount of partial prepayment expressed in increments of \$2,000, and (iii) the company or agency that will be acting as the escrow agent, if applicable and within 5 days of receipt of such notice, the CFD Administrator shall notify such property owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 2005-1 in calculating the proper amount of a partial prepayment. Within 15 business days of receipt of such non-refundable deposit, the CFD Administrator shall notify such owner of the partial prepayment amount of such Assessor's Parcel. Partial prepayment must be made not less than 60 days prior to any redemption date for any Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the funds remitted to it according to Paragraph 15 of Section H.1, and (ii) indicate in the records of CFD No. 2005-1 that there has been a partial prepayment of the Maximum Special Tax and that a portion of the Maximum Special Tax equal to the outstanding percentage $(1.00 - F)$ of the remaining Maximum Special Tax shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section D.

I. TERM OF THE SPECIAL TAX

For each Fiscal Year that any Bonds are outstanding, the Special Tax shall be levied on all Assessor's Parcels subject to the Special Tax. If any delinquent Special Taxes remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse CFD No. 2005-1 for uncollected Special Taxes associated with the levy of such Special Taxes, but not later than the 2064-65 Fiscal Year.