

EXHIBIT B (Option A)

**HESPERIA RECREATION AND PARK DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
(MAINTENANCE SERVICES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax shall be levied and collected in Community Facilities District No. 2019-1 (Maintenance Services), Hesperia Recreation and Park District ("CFD 2019-1") each Fiscal Year, in an amount determined by the application of the procedures described below. All of the Taxable Property (as defined below) in CFD 2019-1, unless exempted by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

I. DEFINITIONS

The terms used herein shall have the following meanings:

"Accessory Dwelling Unit" means a secondary residential unit of limited size, as defined in California Government Code Section 658 as that may be amended from time to time, that shares a Parcel with a Unit of Single Family Detached Property.

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's Parcel shall be determined by the CFD Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map or calculated using available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

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

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD 2019-1: the costs of computing the Annual Special Tax Requirement and the annual Special Tax and of preparing the annual Special Tax collection schedules; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the District or designee in complying with the disclosure requirements of the California Government Code (including the Act), including public inquiries regarding the Special Taxes; the costs of the District or designee related to an appeal of the Special Tax; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in CFD 2019-1.

"Affordable Housing Property" means, in any Fiscal Year, all or a portion of any Assessor's Parcel within the boundaries of CFD 2019-1 that is subject to a deed restriction, resale restriction, or regulatory agreement recorded in favor of the applicable permitting land-use authority (i.e. City of Hesperia or County) that restricts Unit rents or prices chargeable to lower income households.

"Affordable Multi-Family Property" means Multi-Family Property that is also Affordable Housing Property.

"Affordable Single Family Attached Property" means Single Family Attached Property that is also Affordable Housing Property.

“Affordable Single Family Detached Property” means Single Family Detached Property that is also Affordable Housing Property.

“Agricultural Property” means all Assessor’s Parcels of Developed Property in CFD 2019-1 that is used for farming for agriculture according to Assessor’s Data or as otherwise known by the CFD Administrator.

“Annual Services Costs” means the amounts required to fund services authorized to be funded by CFD 2019-1.

“Annual Special Tax Requirement” means that amount with respect to CFD 2019-1 determined by the Board of Directors or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with CFD 2019-1, and (4) reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

“Assessor’s Data” means Acreage or other Parcel information contained in the records of the County Assessor.

“Assessor’s Parcel” or “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.

“Assessor’s Parcel Number” means, with respect to an Assessor’s Parcel, that number assigned to such Assessment’s Parcel by the County for purposes of identification.

“Board of Directors” means the Board of Directors of the District, acting as the legislative body of CFD 2019-1.

“Boundary Map” means that map recorded with the County Recorder’s office on November 5, 2019 in Book 89 at Page 6 as Document Number 2019-0400185.

“Building Square Foot(age)” means the structure square footage as shown in the building permit issued or as contained in the County Assessor’s Data.

“CFD 2019-1” means the Community Facilities District No. 2019-1 (Maintenance Services), Hesperia Recreation and Park District, County of San Bernardino, State of California.

“CFD Administrator” means an official of the District, or designee or agent or consultant, responsible for administering the Special Tax in accordance with this Rate and Method of Apportionment.

“City” means the City of Hesperia, County of San Bernardino, California.

“Commercial Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued for a commercial use, according to Assessor’s Data or as otherwise known by the CFD Administrator.

“County” means the County of San Bernardino, California.

“Developed Property” means, in any Fiscal Year, all Taxable Property in CFD 2019-1 for which a building permit for new construction was issued by the City prior to June 1 of the preceding Fiscal Year. Agricultural Property used for farming or agriculture is considered Developed Property even if no structure is on the Parcel.

“District” means the Hesperia Recreation and Park District, County of San Bernardino.

“Exempt Property” means all property located within the boundaries of CFD 2019-1 which is exempt from the Special Tax pursuant to Section V below.

“Fiscal Year” means the period from July 1st of any calendar year through June 30th of the following calendar year.

“Industrial Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued for an industrial use, according to Assessor’s Data or as otherwise known by the CFD Administrator.

Property Owners Association Property” means any property within the boundaries of CFD 2019-1 which is (a) owned by a property owners association or (b) designated with specific boundaries and acreage on a final subdivision map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Maximum Special Tax” means the maximum Special Tax authorized for levy in any Fiscal Year that may apply to Taxable Property as described in Section III.

“Mixed Use Property” means all Assessor’s Parcels of Developed Property that have more than one property classifications, allowing for both residential and other use types on each such Assessor’s Parcel. For an Assessor’s Parcel of Mixed Use Property, the Special Tax shall be calculated and levied for each use type present on the Assessor’s Parcel.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit has been issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel Number, are offered for rent to the general public, and cannot be purchased by individual homebuyers, according to Assessor’s Data or as otherwise known by the CFD Administrator.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit was issued, that is not used for people to live in, and does not include Agricultural Property, Commercial Property, Multi-Family Property, Industrial Property or Public Property, according to Assessor’s Data or as otherwise known by the CFD Administrator.

“Proportionately” means, in any Fiscal Year, that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor’s Parcels authorized to be levied in that Fiscal Year within each respective Tax Zone.

“Public Property” means any property within the boundaries of CFD 2019-1 owned by, irrevocably offered

or dedicated to, or for which an easement for purposes of public or private road right-of-way making the property unusable for any other purpose has been granted to the federal government, the State of California, the County, the City, the District, or any local government or other public agency.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel Numbers assigned to them (except for a duplex triplex, or fourplex unit, which may share a Parcel with another duplex, triplex or fourplex Unit(s)), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium project contained in Civil Code Section 4125, according to Assessor’s Data or as otherwise known by the CFD Administrator.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit, according to Assessor’s Data or as otherwise known by the CFD Administrator.

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

“Tax Escalation Factor” means a factor of 5 percent (5%) that will be applied annually after Fiscal Year 2019/20 to increase the Maximum Special Tax rates shown in Section III.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this Rate and Method of Apportionment. ***All of the Taxable Property within CFD 2019-1 at the time of its formation is within a Tax Zone as specified on the CFD 2019-1 Boundary Map.*** Additional Tax Zones may be created when property is annexed to CFD 2019-1, and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone when such Parcels are annexed to CFD 2019-1 shall be identified by Assessor’s Parcel number in the annexation documents at the time of annexation.

“Taxable Property” means all Parcels within the boundary of CFD 2019-1 that are not Exempt Property, exempt from the Special Tax pursuant to the Act or Section V below.

“Undeveloped Property” means all Parcels of Taxable Property that are not Developed Property.

“Unit” means any individual single family detached or attached home, townhome, condominium, apartment, or other residential dwelling unit, including each separate living area within a half-plex, duplex, triplex, fourplex, or other residential structure. An Accessory Dwelling Unit that shares a Parcel with a Unit of Single Family Detached Property, Single Family Attached Property shall not be considered a separate Unit for purposes of calculating the Special Tax.

II. DETERMINATION OF TAXABLE PARCELS

On or about July 1 of each Fiscal Year, the CFD Administrator shall determine the valid Assessor’s Parcel Numbers for all Taxable Property within CFD 2019-1. If any Assessor’s Parcel Numbers are no longer valid from the previous Fiscal Year, the CFD Administrator shall determine the new Assessor’s Parcel Number or Numbers that are in effect for the current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated or otherwise reconfigured, the Maximum Special Tax rates shall be

assigned to the new Assessor’s Parcels pursuant to Section III. The CFD Administrator shall also determine: (i) the Tax Zone within which each Parcel is located; (ii) which Parcels are Developed Property; (iii) the number of Units each Parcel contains; and (iv) the Annual Special Tax Requirement for the Fiscal Year.

III. ANNUAL SPECIAL TAX - METHOD OF APPORTIONMENT

All Taxable Property shall be subject to a Special Tax defined as follows.

The Special Tax shall be levied each Fiscal Year by the CFD Administrator. The Annual Special Tax Requirement shall be apportioned to each Parcel of Developed Property within CFD 2019-1 by the method shown below.

- First. Determine the Annual Special Tax Requirement.
- Second. Levy the Special Tax on each Parcel of Developed Property, Proportionately, up to the Maximum Special Tax described in the table below to satisfy the Annual Special Tax Requirement.
- Third. If additional monies are needed to satisfy the Annual Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Under no circumstances will the Special Tax levied against any Assessor’s Parcel of Developed Property 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. 2019-1.

**TABLE 1
MAXIMUM SPECIAL TAX RATES – TAX ZONE NO. 1
FISCAL YEAR 2019/20***

Property Type	Special Tax Rate	Per
Multi-Family Property	\$130.78	Unit

**On each July 1, commencing on July 1, 2020, the Maximum Special Tax Rate for each Tax Zone shall be increased by 5%, the Tax Escalation Factor.*

A different Maximum Special Tax rate may be identified in Tax Zones added to CFD 2019-1 as a result of future annexations.

In some instances, an Assessor’s Parcel of Developed Property may contain more than one type of property. The Maximum Special Taxes levied on an Assessor’s Parcel shall be the sum of the Maximum Special Taxes for all Units located on that Assessor’s Parcel.

IV. FORMULA FOR PREPAYMENT OF SPECIAL TAX OBLIGATIONS

The Special Tax may not be prepaid.

V. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act.

VI. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

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

VII. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the District may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD 2019-1, and may collect delinquent Special Taxes through foreclosure or other available methods.

A Special Tax shall continue to be levied and collected within CFD 2019-1, as needed to fund the Annual Special Tax Requirement, in perpetuity.

VIII. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the Board of Directors whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the Board of Directors requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.