

BOULDERS PUBLIC IMPROVEMENT DISTRICT

NOTICE OF INFORMATION

NOTICE IS HEREBY GIVEN of that certain information (the "Information") relating to the Boulders Public Improvement District (the "District"), which the District, pursuant the Public Improvement District Act, is required to file and record with the Bernalillo County Clerk within thirty days before June 1 and December 1 of each year. The real property located within the District is described in the attached Exhibit A, which is hereby incorporated into and made a part of this Notice of Information. The Information is included in the form attached hereto as Exhibit B to this Notice of Information and is hereby incorporated into and made apart of this Notice of Information.

CONTACT INFORMATION: The principal office for the transaction of business of the District is the office of the District Clerk, whose office is located at the Department of Municipal Development, Seventh Floor, Room 7057, Albuquerque/Bernalillo County Government Center, One Civic Plaza, N.W., Albuquerque, New Mexico.

AUTHORIZATION: This Notice is filed and recorded pursuant to NMSA 1978, §5-11-18.B (2013, as amended) and District Resolution No. 2014-01.

Executed effective the 23<sup>rd</sup> day of May, 2014, at Albuquerque, New Mexico.

BOULDERS PUBLIC IMPROVEMENT DISTRICT

By: Rhonda Methwin  
Its: Chairperson

STATE OF NEW MEXICO            )  
  )        ss.  
COUNTY OF BERNALILLO        )

This instrument was acknowledged before me on the 23<sup>rd</sup> day of May, 2014, by Rhonda Methwin, as Chairperson of the Boulders Public Improvement District.



OFFICIAL SEAL  
Justin Horwitz  
NOTARY PUBLIC  
STATE OF NEW MEXICO  
My commission expires 08/06/2016

Justin Horwitz  
Notary Public  
My commission expires: 08/06/2016

Doc# 2014041782

EXHIBIT A TO THE NOTICE OF INFORMATION

Legal Description of the Real Property Located Within the District

The land comprising the District is located in Bernalillo County, New Mexico, and is more particularly described as:

Lots 1 thru 131 and Tracts C thru L of Boulders Phase 1 as the same is shown and designated on the plat thereof, filed in the Office of the County Clerk of Bernalillo County, New Mexico on February 29, 2012, in Book 2012C, Page 28, as Document No. 2012020952; and

Lots 1 thru 23, Lots 26 and 27, Lots 32 thru 60, Lots 65 thru 73 and Lots 79 thru 113, Tracts A thru H, Tract A-1 and B-1 of Boulders Phase II as the same is shown and designated on the plat thereof, filed in the Office of the County Clerk of Bernalillo County, New Mexico on March 21, 2013, in Book 2013C, Page 23, as Document No. 2013031973; and

Lots 24-A, 25-A, 28-A, 29-A, 30-A, 31-A, 61-A, 62-A, 63-A, 64-A, 74-A, 75-A, 76-A, 77-A and 78-A of Boulders Phase II as the same is shown and designated on the plat thereof, filed in the Office of the County Clerk of Bernalillo County, New Mexico on June 26, 2013, in Book 2013C, Page 78, as Document No. 2013071947.

EXHIBIT B TO THE NOTICE OF INFORMATION

Information Regarding the District

**NOTICE OF INFORMATION  
FOR THE  
THE BOULDERS PUBLIC IMPROVEMENT DISTRICT**

TO: The Prospective Purchaser of Real Property in the Boulders Public Improvement District (the "District")

This is a notification to you (this "Notice"), a prospective purchaser of real property in the District (the "Property"), prior to your entering into a contract with the seller to purchase the Property. The seller or an agent or broker of the seller of the Property is required to give you this Notice, which may be in addition to other notices or disclosures that may be required by federal, state or local law, and may request that you sign a copy of this notice to indicate that you have received and read a copy of this notice.

1. The Property is within the District, which is a public improvement district formed pursuant to the Public Improvement District Act, NMSA 1978, §§ 5-11-1 to -27 (2001, as amended) (the "Act"), City Ordinance Enactment No. 0-2003-12, Council Bill No. F/S 0-03-84, adopted on February 19, 2003 and as amended from time to time (the "PID Ordinance"), and City of Albuquerque City Council Bill No. R-12-47, Enactment No. R 2012-35 adopted on May 21, 2012 and approving the formation of the District (the "Formation Resolution").

2. The purpose of the District is to undertake certain Public Infrastructure Purposes (as that term is defined in the Act), including, but not limited to, financing certain Public Infrastructure Improvements (as that term is defined in the Act) through the sale of special levy bonds. Debt service on those special levy bonds is to be satisfied through a special levy imposed on the Property and all other property in the District in accordance with the Rate and Method of Special Levy Apportionment (defined in the Formation Resolution) as accepted and approved by the City of Albuquerque (the "City") in the Formation Resolution (the "Special Levy").

3. If you purchase the Property, you will be obligated to pay the Special Levy and, if applicable, any other property tax or special levy that may be imposed by the board of directors of the District (the "Board").

4. The Special Levy imposed by the Board and, if applicable, any other property tax or special levy that may be imposed by the Board are in addition to any other state, county or other local governmental taxes and assessments.

5. THE BOARD AUTHORIZED THE IMPOSITION OF A SPECIAL LEVY ON JULY 23, 2013 PURSUANT TO DISTRICT RESOLUTION NO. 2013-02 AND FILED AND RECORDED (I) A "NOTICE OF IMPOSITION OF SPECIAL LEVY" ON JULY 24, 2013 IN THE REAL PROPERTY RECORDS OF BERNALILLO COUNTY, NEW MEXICO AS DOC# 2013082414, AND (II) AN "AMENDED AND RESTATED NOTICE OF IMPOSITION OF SPECIAL LEVY" ON NOVEMBER 6, 2013 IN THE REAL PROPERTY RECORDS OF BERNALILLO COUNTY, NEW MEXICO AS DOC#2013121550 (THE "AMENDED AND RESTATED NOTICE OF IMPOSITION OF SPECIAL LEVY"). THE MAXIMUM SPECIAL

LEVY THAT IS AUTHORIZED TO BE IMPOSED ON THE PROPERTY IS IDENTIFIED IN THE AMENDED AND RESTATED NOTICE OF IMPOSITION OF SPECIAL LEVY, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT 1 TO THIS NOTICE AND IS HEREBY INCORPORATED INTO AND MADE APART OF THIS NOTICE.

6. THE DISTRICT IS NOT AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS AND NO GENERAL OBLIGATION BONDS HAVE BEEN ISSUED.

7. YOUR FAILURE TO PAY THE SPECIAL LEVY IMPOSED BY THE BOARD AND, IF APPLICABLE, ANY OTHER PROPERTY TAX OR SPECIAL LEVY THAT MAY BE IMPOSED BY THE BOARD COULD RESULT IN THE FORECLOSURE OF THE PROPERTY.

8. Additional information concerning the amount of the annual Special Levy assessment and the due dates of the Special Levy may be obtained from the City through the City's Public Improvement District Coordinator, whose office is located at the Department of Municipal Development, Seventh Floor, Room 7057, Albuquerque/Bernalillo County Government Center, One Civic Plaza, N.W., Albuquerque, New Mexico.

9. A feasibility study was completed as part of the formation of the District and the feasibility study is available from the City through the City's Public Improvement District Coordinator, whose office is located at the Department of Municipal Development, Seventh Floor, Room 7057, Albuquerque/Bernalillo County Government Center, One Civic Plaza, N.W., Albuquerque, New Mexico.

I (we) acknowledge that I (we) have read this Notice and received a copy of this Notice prior to entering into a contract to purchase the Property.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ at Bernalillo County, New Mexico.

Signature: \_\_\_\_\_  
Print Name \_\_\_\_\_

Signature: \_\_\_\_\_  
Print Name \_\_\_\_\_  
(additional signature, if required)

EXHIBIT 1 TO THE NOTICE

Amended and Restated Notice of Imposition of Special Levy

THE BOULDERS PUBLIC IMPROVEMENT DISTRICT

AMENDED AND RESTATED  
NOTICE OF IMPOSITION OF SPECIAL LEVY

THIS DOCUMENT IS AN AMENDED AND RESTATED VERSION OF THE NOTICE OF IMPOSITION OF SPECIAL LEVY RECORDED ON JULY 24, 2013 IN THE REAL PROPERTY RECORDS OF BERNALILLO COUNTY, NEW MEXICO AS DOC# 2013082414 AND IS RECORDED FOR THE PURPOSE OF IMPLEMENTING THOSE MODIFICATIONS TO EXHIBIT A OF THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY SET FORTH IN THE CERTIFICATE TO AMEND EXHIBIT A OF THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY DATED OCTOBER 23, 2013, ALL OF WHICH ARE ATTACHED HERETO AS EXHIBIT B.

NOTICE IS HEREBY GIVEN of the imposition of a special levy ("Special Levy") by the Boulders Public Improvement District (the "District") on the real property located within the District (more particularly described in the attached Exhibit A, which is hereby incorporated into and made a part of this Notice). Pursuant to NMSA 1978, § 5-11-20.C (2013, as amended) the maximum annual amount of the Special Levy that may be imposed on each class of property in the District is identified in the Rate and Method of Apportionment of Special Levy (the "RMA"), which is attached hereto as Exhibit B and is hereby incorporated into and made a part of this Notice.

The Special Levy will be apportioned according to the typical lot width and the amount of the annual Special Levy imposed by the District will not exceed (a) \$1,280.00 per year for any residential property designated as 50' lot in the RMA and (b) \$1,050.00 per year for any residential property designated as a 45' lot in the RMA. The lot width designation, and corresponding levy classification, applicable to each lot is shown on *Exhibit A* to the RMA.

Prior to June 1 of each year in which the Special Levy is imposed, the District will reapportion the Special Levy to the legal parcels established within the District and existing as of the time of reapportionment, in accordance with the RMA. The Special Levy will be imposed during each year in which the District's special levy bonds are outstanding, and will be allocated to real property within the District in accordance with the following steps<sup>1</sup>:

- First, the Annual Special Levy shall be collected from each Parcel of Developed Platted Property in equal percentages up to 100% of the applicable Maximum Annual Special Levy;
- Second, if additional monies are needed to fund the Special Levy Requirement after the first step, the Annual Special Levy shall be collected from each Parcel of

<sup>1</sup> Capitalized terms used in the following description of the apportionment of the Special Levy and not otherwise defined in this Notice shall have the meanings assigned to them in the RMA attached hereto as Exhibit B.



Undeveloped Platted Property in equal percentages up to 100% of the applicable Maximum Annual Special Levy; and

- Third, if additional monies are needed to fund the Special Levy Requirement after the second step, the Annual Special Levy shall be collected from each Parcel of Undeveloped Property in equal percentages up to 100% of the applicable Maximum Annual Special Levy.

As provided in NMSA 1978, § 5-11-20 (2013, as amended), the Special Levy constitutes a lien on property located within the District, having a priority coequal to the lien of property taxes. The Special Levy shall be subject to foreclosure by the District at any time after six months following written notice of delinquency to the owner of the real property to which the delinquency applies. The lien shall include delinquencies, penalties and interest thereon at a rate not to exceed the maximum legal rate of interest per year and penalties otherwise applicable.

Pursuant to NMSA 1978, § 5-11-23.F (2001) and NMSA 1978, § 5-11-20.G (2013, as amended) and Section 4.P of City of Albuquerque City Council Bill No. R-12-47, Enactment No. R 2012-35, adopted on May 21, 2012, the District has established the following foreclosure and redemption procedures for delinquent Special Levies:

(i) The District shall have the power to institute foreclosure proceedings against a delinquent special levy after six months following written notice of the delinquency to the owner of the real property to which the delinquency applies. Delinquencies shall be determined as follows:

a. On or before December 15 and May 15 of each year in which the Special Levy is in effect, the District Treasurer shall review the public records of Bernalillo County relating to the collection of the Special Levy in order to identify the real property to which any Special Levy delinquency applies.

b. Within 60 days after identifying delinquencies in payment of the Special Levy in each year in which the Special Levy is in effect, the District shall provide written notice of delinquency (“Notice”) to the owners of any parcel determined to be delinquent, which Notice shall state (1) the amount of the delinquency as of the date of the Notice applicable to the parcel, (2) that the delinquency, including applicable interest and penalties, must be cured within 180 days following the date of the Notice (the “Notice Date”), and (3) if the delinquency is not cured within that 180-day period, the District or its designee shall have the power to commence foreclosure proceedings with respect to the real property to which the delinquency applies.

c. Following the expiration of the 180-day period provided in a Notice, the District shall have the power to institute foreclosure proceedings with respect to all parcels or tracts for which a Notice has been provided.

(ii) Any delinquent special levy shall be subject to foreclosure in the manner provided by law for the foreclosure of mortgages on real estate, except as otherwise provided herein.



(iii) In an action seeking the foreclosure of a special levy lien after special levy bonds have been issued, if there is no other purchaser for the tract of land having a delinquent special levy, the District or other trustee of the funds from which special levy bonds are to be paid, may:

a. Purchase the tract or parcel sold at the foreclosure sale.

b. Bid, in lieu of cash, the amount of the special levies, interest, penalties, attorneys' fees, and costs found by the court to be due and payable under the resolution creating the lien and any cost taxed by the court in the foreclosure proceedings against the property ordered sold.

c. Upon the purchase of the tract or parcel, title to the tract or parcel of land, subject to the right of redemption provided by paragraph (vi) of this section, vests in the trustee of the fund from which the special levy bonds are payable.

(iv) No real property shall be sold to satisfy a delinquent levy until at least fifteen days after the date of the order, judgment or decree of the court, within which time the owner of the tract or parcel of land may pay off the decree and avoid the sale.

(v) After the expiration of the fifteen-day period, the property may be sold at a public or private sale subject to the right of redemption.

(vi) Any property sold under any order, judgment, or decree of court to satisfy the special levy lien may be redeemed at any time within one year of the date of sale by the owner or mortgage holder or other person having an interest, or their assigns, by repaying to the purchaser or his assign the amount paid plus interest from the date of purchase at the lesser of twelve percent per year or the maximum legal rate.

(vii) The proceeds of the sale of the foreclosed tract or parcel of land at either a public or private sale shall be applied as follows:

a. First, to the payment of costs in giving notice of the sale and of conducting the sale;

b. Second, to costs and fees taxed against the tract or parcel of land in the foreclosure proceedings;

c. Third, on a pro rata basis, to the indebtedness claimed under the special levy lien and any other lien on the property that has a priority co-equal to the special levy lien; and

d. Fourth, after all costs, liens, levies, assessments, and taxes are paid to the former owner, mortgage holder or other parties having an interest in the tract or parcel, upon the foregoing person's providing satisfactory proof to the court of the interest and upon approval of the court.

(viii) Receipts for the satisfaction of the indebtedness claimed under the special levy lien shall be paid into the proper District fund for payment of the principal of and interest on the special levy bonds.

(ix) No public rights of way or public property shall be subject to foreclosure by the District.


Executed this 6<sup>th</sup> day of November, 2013, at Albuquerque, New Mexico.

THE BOULDERS PUBLIC IMPROVEMENT DISTRICT

By: Rhonda Mathew  
Its: Chairperson

STATE OF NEW MEXICO            )  
  )        ss.  
COUNTY OF BERNALILLO        )

This instrument was acknowledged before me on the 6<sup>th</sup> day of November, 2013, by Rhonda Mathew, as chairperson of the Boulders Public Improvement District.

(Seal)  OFFICIAL SEAL  
Justin Horwitz  
NOTARY PUBLIC  
STATE OF NEW MEXICO  
My commission expires 08/06/16

[Signature]  
Notary Public

My commission expires: August 6, 2016

EXHIBIT A

The Boulders Public Improvement District  
Legal Description and Boundary Map

The land comprising the District is located in Bernalillo County, New Mexico, and is more particularly described as:

Lots 1 thru 131 and Tracts C thru L of Boulders Phase 1 as the same is shown and designated on the plat thereof, filed in the Office of the County Clerk of Bernalillo County, New Mexico on February 29, 2012, in Book 2012C, Page 28, as Document No. 2012020952; and

Lots 1 thru 23, Lots 26 and 27, Lots 32 thru 60, Lots 65 thru 73 and Lots 79 thru 113, Tracts A thru H, Tract A-1 and B-1 of Boulders Phase II as the same is shown and designated on the plat thereof, filed in the Office of the County Clerk of Bernalillo County, New Mexico on March 21, 2013, in Book 2013C, Page 23, as Document No. 2013031973; and

Lots 24-A, 25-A, 28-A, 29-A, 30-A, 31-A, 61-A, 62-A, 63-A, 64-A, 74-A, 75-A, 76-A, 77-A and 78-A of Boulders Phase II as the same is shown and designated on the plat thereof, filed in the Office of the County Clerk of Bernalillo County, New Mexico on June 06, 2013, in Book 2013C, Page 78, as Document No. 2013071947.

[The Boulders Public Improvement District Boundary Map follows]



EXHIBIT B

Rate and Method of Apportionment of Special Levy

# RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY

## THE BOULDERS PUBLIC IMPROVEMENT DISTRICT

An Annual Special Levy shall be levied, extended, and collected in The Boulders Public Improvement District (hereinafter referred to as the "PID" or the "District") each Fiscal Year, in an amount determined by the District Board or its designee through the application of the procedures described below. All of the real property in the PID, unless exempted by the provisions hereof, shall be subject to the Annual Special Levy for the purposes, to the extent, and in the manner herein provided.

### A. DEFINITIONS

The terms used herein shall have the following meanings:

**"Act"** means the Public Improvement District Act, being Sections 5-11-1 through 5-11-27, NMSA 1978.

**"Administrative Expenses"** means the actual or reasonably estimated costs permitted in accordance with the Act and directly related to the administration of the PID as determined by the District Board or its designee, including but not limited to, the costs of computing the Annual Special Levies and of preparing the collection schedules (whether by the District Board or designee thereof or both); the costs of collecting the Annual Special Levies (whether by the County, or otherwise); the costs of remitting the Annual Special Levies to the Trustee for any Bonds; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under any Indenture; the costs of the District or designee in computing the amount of rebatable arbitrage, if any; the costs of the District or designee in complying with the disclosure requirements of applicable federal and state securities laws and of the Act, including, but not limited to, public inquiries regarding the Annual Special Levies; and the costs associated with the release of funds from any escrow account. Administrative Expenses shall also include amounts advanced for any administrative purpose of the District including the costs of prepayment of the Annual Special Levies; recordings related to the prepayment, discharge or satisfaction of the Annual Special Levies; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Annual Special Levies and the reasonable fees of legal counsel to the District incurred in connection with the foregoing.

**"Administrator"** means the designee of the District Board responsible for determining the Special Levy Requirement, and coordinating the billing and collection of the Annual Special Levies.

**"Annual Special Levy"** means the special levy collected in each Fiscal Year from each Parcel pursuant to Section D to fund the Special Levy Requirement.

**"Association Property"** means any property in the District owned by or dedicated to a property owner association, including any master or sub-association, exclusive of any property on which Dwelling Units are or may be constructed.

"**Bonds**" means any bonds or other debt, including refunding bonds, whether in one or more series, secured by the Annual Special Levy.

"**City**" means the City of Albuquerque, New Mexico.

"**County**" means the County of Bernalillo, New Mexico.

"**Developed Platted Property**" means all Platted Property for which a certificate of occupancy permit has been issued by the April 30 preceding the Fiscal Year for which the Annual Special Levy is being collected.

"**District Board**" means the governing body of the District.

"**Dwelling Unit**" or "**DU**" means a residential dwelling unit.

"**Exempt Property**" means all property exempt from the Annual Special Levy pursuant to Section G.

"**Final Plat**" means a final plat or final subdivision of land that is approved by the City and recorded with the County.

"**Fiscal Year**" means the twelve-month period starting July 1 and ending June 30.

"**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.

"**Levyable Property**" means all property within the District which is not Exempt Property or which has not prepaid the Maximum Annual Special Levy in full pursuant to Section H.

"**Maximum Annual Special Levy**" means the maximum special levy, determined in accordance with Section B and Section C that can be levied by the District Board in any Fiscal Year on any Parcel of Levyable Property.

"**Parcel**" means a lot or parcel within the boundaries of the District that is assigned a uniform property code as shown on a Cadastral Map.

"**Parcel Map**" means an official map of the County designating parcels by uniform property code.

"**Platted Property**" means all Residential Lots for which a Final Plat was recorded by the January 1 preceding the Fiscal Year for which the Annual Special Levy is being collected.

"**Preliminary Plat**" means a preliminary plat of subdivision which has been approved by the City.



"**Public Property**" means all property in the District owned by or dedicated to the federal government, the State of New Mexico, the County of Bernalillo, the City of Albuquerque, or any local government or other public agency.

"**Residential Lot**" means a Parcel of Levyable Property for which a building permit (i) may and is anticipated to be issued without any further subdivision of the Parcel or (ii) has been issued for a Dwelling Unit.

"**Special Levy Requirement**" means that amount determined by the District Board or its designee as required in any Fiscal Year to pay: (1) Administrative Expenses, (2) debt service on any Bonds, (3) an amount equal to the anticipated delinquent Annual Special Levies, (4) any amount required to replenish any reserve fund established in connection with such Bonds, (5) the costs of credit enhancement and fees for instruments that serve as the basis of a reserve fund in lieu of cash related to any such Bonds, and (6) for acquisition and/or construction of authorized public improvements.

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

"**Undeveloped Platted Property**" means Platted Property not classified as Developed Platted Property.

"**Undeveloped Property**" means all Levyable Property that is not classified as Developed Platted Property or Undeveloped Platted Property.

## **B. CLASSIFICATION OF PROPERTY**

On or about May 1 of each Fiscal Year, all property within the District shall be classified as Exempt Property or Levyable Property. All Levyable Property shall be assigned to one of the two levy classification(s) shown in Table 1 below in accordance with Exhibit A. Each of the two levy classification(s) shall be further classified as Developed Platted Property, Undeveloped Platted Property, or Undeveloped Property.

## **C. MAXIMUM ANNUAL SPECIAL LEVY**

The Maximum Annual Special Levy for a Parcel of Levyable Property shall be determined pursuant to Section C.1 below, adjusted pursuant to Section C.2 as applicable.

### **1. Maximum Annual Special Levy**

Subject to Section C.2 below, the Maximum Annual Special Levy applicable to each Parcel of Levyable Property shall be determined by reference to Table 1. Prior to the recordation of the Final Plat, the Maximum Annual Special Levy for a Parcel of Levyable Property shall be determined by multiplying the expected number and classification of Residential Lots for such Parcel, as determined from Exhibit A, by the corresponding Maximum Annual Special Levy amounts set forth in Table 1 on the following page.

<b>TABLE 1</b> <b>THE BOULDERS PID</b> <b>MAXIMUM ANNUAL SPECIAL LEVY</b>		
LEVY CLASSIFICATION	ANTICIPATED RESIDENTIAL LOTS	MAXIMUM ANNUAL SPECIAL LEVY
(1) 50' Wide Lots <sup>1</sup>	185	\$1,280 / Residential Lot
(2) 45' Wide Lots <sup>2</sup>	166	\$1,050 / Residential Lot

**2. Reduction in Maximum Annual Special Levies**

If at any time the Administrator determines that there has been or will be a reduction in the Maximum Annual Special Levies as a result of an amendment to Exhibit A, a reduction in the number of Residential Lots, or other event which reduces the Maximum Annual Special Levies such that the annual debt service coverage ratio is less than one hundred ten percent (110%), then at the discretion of the District Board either (i) the Maximum Annual Special Levy for the Parcel(s) located in the Preliminary Plat(s) or Final Plat(s) in which such a reduction has or will occur shall be increased pursuant to C.2.a below to compensate for the reduction or (ii) a prepayment shall be made pursuant to C.2.b below. Each year's annual debt service coverage ratio shall be determined by dividing (i) such year's reduced Maximum Annual Special Levies less estimated Administrative Expenses by (ii) the sum of the corresponding annual interest and principal payments on the Bonds.

**a. Adjusted Maximum Annual Special Levy**

If the District Board determines that the Maximum Annual Special Levy shall be increased to compensate for the reduction, the then applicable Maximum Annual Special Levy for the subject Parcels shall be increased by multiplying such Maximum Annual Special Levy by a quotient the numerator of which is equal to the sum of (i) the then applicable Maximum Annual Special Levies for the subject Parcels and (ii) the amount by which the Maximum Annual Special Levies for the District is less than the sum of the estimated Administrative Expenses and one hundred ten percent (110%) of the annual interest and principal payments on the outstanding Bonds and the denominator of which is equal to the then applicable Maximum Special Levies for the subject Parcels, taking into consideration the changes resulting in the reduction. Note, no adjustment shall be made prior to the sale of Bonds.

**b. Prepayment of Reduction**

If the District Board determines that the reduction in the Maximum Annual

<sup>1</sup>Lots designated "50" on Exhibit A.

<sup>2</sup>Lots designated "45" on Exhibit A.

Special Levies shall be prepaid, such prepayment amount shall be computed pursuant to Section H, with the following modifications:

- The difference between the Maximum Annual Special Levies required for one hundred ten percent (110%) debt service coverage and the amount to which the Maximum Annual Special Levies have been reduced shall serve as the numerator when computing Principal; and
- The Maximum Annual Special Levies necessary for the annual debt service coverage ratio to equal 110% shall serve as the denominator when computing principal.

### **3. Exhibit A Amendments**

Exhibit A may be amended pursuant to an executed certificate, the form of which is attached as Exhibit B. Any amendment to Exhibit A approved by the District Board shall be recorded with the County Clerk.

## **D. APPORTIONMENT OF ANNUAL SPECIAL LEVY**

Commencing with Fiscal Year 2012-2013 and for each following Fiscal Year, the District Board shall apportion the Annual Special Levy to each Parcel of Levyable Property in equal percentages until the Annual Special Levies equal the Special Levy Requirement, provided the Annual Special Levy for any Residential Lot does not exceed its Maximum Annual Special Levy, in accordance with the following steps:

First: The Annual Special Levy shall be collected from each Parcel of Developed Platted Property in equal percentages up to 100% of the applicable Maximum Annual Special Levy;

Second: If additional monies are needed to fund the Special Levy Requirement after the first step, the Annual Special Levy shall be collected from each Parcel of Undeveloped Platted Property in equal percentages up to 100% of the applicable Maximum Annual Special Levy; and

Third: If additional monies are needed to fund the Special Levy Requirement after the second step, the Annual Special Levy shall be collected from each Parcel of Undeveloped Property in equal percentages up to 100% of the applicable Maximum Annual Special Levy.

Equal percentages means the Annual Special Levy for each Parcel of Developed Platted Property, computed as a percentage of its applicable Maximum Annual Special Levy, is the same as for all other Parcels of Developed Platted Property; the Annual Special Levy for each Parcel of Undeveloped Platted Property, computed as a percentage of its applicable Maximum Annual Special Levy, is the same as for all other Parcels of Undeveloped Platted Property; and the Annual Special Levy for each Parcel of Undeveloped Property, computed as a percentage of its applicable Maximum Annual Special Levy, is the same as for all other Parcels of Undeveloped Property.

