

MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT NO. 2

NOTICE OF INFORMATION PURSUANT TO § 5-11-18(B), NMSA 1978

NOTICE IS HEREBY GIVEN of that certain information (the "Information") relating to the Mesa del Sol Public Improvement District No. 2 (the "District"), which the District, pursuant to 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 a part 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 One Civic Plaza NW, 9th Floor, Albuquerque, New Mexico 87102, Attention: Mesa Del Sol PID Board Chair.

AUTHORIZATION: This Notice is filed and recorded pursuant to NMSA 1978, § 5-11-18(B) (2013, as amended).


Executed effective the 27 day of May, 2021, at Albuquerque, New Mexico.

MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT NO. 2

By: [Signature]
Its: Treasurer

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

This instrument was acknowledged before me on the 27 day of May, 2021, by Brent Dupes, as Treasurer of the Mesa Del Sol Public Improvement District No. 2.

 OFFICIAL SEAL
JENNIFER SOWERS
NOTARY PUBLIC-State of New Mexico
My Commission Expires 1-4-21

[Signature]
Notary Public

My commission expires: 01-04-2024

EXHIBIT A
TO MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT NO. 2
NOTICE OF INFORMATION PURSUANT TO § 5-11-18(B), NMSA 1978

LEGAL DESCRIPTION
MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT NO. 2

A certain tract of land situate within Sections 21, 28, and 29, Township 9 North, Range 3 East, New Mexico Principal Meridian, Bernalillo County, New Mexico, being and comprising a portion of Tract 4-A-1 of the Plat of Mesa Del Sol Tracts 4-A-1 thru 4-A-4, Albuquerque, New Mexico 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 April 17, 2007 in Book 2007C, page 96 as Document No. 2007056330 together with an easterly portion of Tract 10 of the Plat of Mesa Del Sol Tracts 1-15, Albuquerque, New Mexico 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 21, 2006 in Book 2006C, page 195 as Document No. 2006091342 and being more particularly described by New Mexico State Plane Grid Bearings (Central Zone, NAD 27) and ground distances as follows:

BEGINNING at the northeast corner of the tract herein described, a point on the northwesterly boundary line of said Tract 4-A-1, **WHENCE** the City of Albuquerque survey monument "3-Q16, 1984", having New Mexico State Plane Grid coordinates for the Central Zone: X=393,252.92, Y=1,456,982.37 bears N47°48'02"E a distance of 8062.16 feet;
THENCE leaving said northwesterly boundary line of Tract 4-A-1 along the easterly boundary line of the tract herein described, S14°03'53"E a distance of 2758.03 feet to a the southeast corner of the tract herein described;

THENCE along the southerly boundary line of the tract herein described, the following six (6) courses;

S75°56'07"W a distance of 930.23 feet to a point of curvature;
225.94 feet along the arc of a curve to the left having a radius of 467.00 feet, a central angle of 27°43'15" and a chord bearing S62°04'30"W a distance of 223.75 feet to a point of tangency;
S48°12'52"W a distance of 60.68 feet to a point of curvature;
257.88 feet along the arc of a curve to the right having a radius of 533.00 feet, a central angle of 27°43'15" and a chord bearing S62°04'30"W a distance of 255.37 feet to a point of tangency;
S75°56'07"W a distance of 2683.56 feet to a point of curvature;
139.24 feet along the arc of a curve to the left having a radius of 167.00 feet, a central angle of 47°46'23" and a chord bearing S52°02'56"W a distance of 135.25 feet to the southwest corner of the tract herein described;

THENCE along the westerly boundary line of the tract herein described the following ten (10) courses;

N52°52'51"W a distance of 262.80 feet to a point;
N10°45'19"W a distance of 764.67 feet to a point of curvature;
127.04 feet along the arc of a curve to the left having a radius of 474.00 feet, a central angle of 15°21'23", and a chord bearing N18°26'01"W a distance of 126.66 feet to a point of tangency;
N26°06'43"W a distance of 119.80 feet to a point;
N61°00'03"E a distance of 258.65 feet to a point;
N28°59'57"W a distance of 306.66 feet to a point;
N01°27'40"W a distance of 380.72 feet to a point;
N24°16'16"E a distance of 171.27 feet to a point;
N02°16'48"E a distance of 349.75 feet to a point;
N19°42'41"W a distance of 148.16 feet to a the northwest corner of the tract herein described, a point on the northerly boundary line of said Tract 10;

THENCE along said northerly boundary line of Tract 10 and said northwesterly boundary line of Tract 4-A-1, N70°17'19"E a distance of 3986.88 feet to the POINT OF BEGINNING.

This tract contains 258.5432 acres, more or less.

Less and excepting: Tract 8 of the Bulk Land Plat of Mesa Del Sol, Tracts 1-15, Albuquerque, New Mexico, as the same is shown and designated on said Plat, filed in the office of the County Clerk of Bernalillo County, New Mexico, on June 21, 2006, in Plat Book 2006C, page 195.

EXHIBIT B
TO MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT NO. 2
NOTICE OF INFORMATION PURSUANT TO § 5-11-18(B), NMSA 1978

NOTICE OF INFORMATION TO PURCHASERS

53265112.1

**NOTICE OF INFORMATION TO PURCHASERS
FOR THE MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT NO. 2**

PURSUANT TO § 5-11-18(B), NMSA 1978

TO: The Prospective Purchaser of Real Property in the Mesa Del Sol Public Improvement District No. 2 (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, §§ 5-11-1 to -27, NMSA 1978, as amended (the "Act"), and City of Albuquerque Enactment No. R-2008-045, as amended (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 Supplemental General Plan approved in connection with the Formation Resolution (the "Special Levy"). The District may finance all or a portion of the costs associated with the Public Infrastructure Improvements from the collection of the Special Levy, without the issuance of District bonds.

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"). As of the effective date of this Notice, no Special Levy has been imposed and no bonds have been issued.

4. The Special Levy 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 DISTRICT IS AUTHORIZED TO IMPOSE A SPECIAL LEVY ON ALL TAXABLE PARCELS WITHIN THE DISTRICT PURSUANT TO THE PID 2 RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY, ATTACHED AS A PORTION OF EXHIBIT 6 TO THE "MESA DEL SOL PUBLIC IMPROVEMENT DISTRICTS 1-5 NOTICE OF FORMATION RESOLUTION, GENERAL PLANS, SUPPLEMENTAL PID 1 GENERAL PLAN, MASTER DEVELOPMENT AGREEMENT FOR PIDS 1-5, SUPPLEMENTAL PID 1 DEVELOPMENT AGREEMENT, RATE AND METHOD OF APPORTIONMENT FOR PIDS 1-5, AND ADJUSTED PID 1 RATE AND METHOD OF APPORTIONMENT," FILED IN THE BERNALILLO COUNTY REAL PROPERTY RECORDS ON APRIL 13, 2009 AS

53265112.1

DOCUMENT NO. 2009038714, AS AMENDED FROM TIME TO TIME. THE MAXIMUM SPECIAL LEVY THAT IS AUTHORIZED TO BE IMPOSED ON THE PROPERTY IS IDENTIFIED IN THE PID 2 RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT 1 TO THIS NOTICE AND IS HEREBY INCORPORATED INTO AND MADE A PART OF THIS NOTICE. THE DISTRICT HAS NOT BUDGETED FOR OR COLLECTED ANY SPECIAL LEVY.

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

7. FAILURE TO PAY A 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 Special Levy assessment and the due dates of the Special Levy may be obtained from the City through the District Clerk, whose office is located One Civic Plaza NW, 9th Floor, Albuquerque, New Mexico 87102.

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 District Clerk, whose office is located One Civic Plaza NW, 9th Floor, Albuquerque, New Mexico 87102.

ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF INFORMATION

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__.

Signature

Signature

Print Name

Print Name

**NOTICE OF INFORMATION TO PURCHASERS
FOR MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT NO. 2**

EXHIBIT 1

PID 2 RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY

53265112.1

RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY

MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 2

A District 2 Annual Special Levy shall be levied, extended, and collected in the Mesa Del Sol Public Improvement District 2 (hereinafter referred to as "District 2") each Fiscal Year, in an amount determined by the District 2 Board or its designee through the application of the procedures described below. All of the District 2 Levyable Property shall be subject to the District 2 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:

"Acre" means 43,560 square feet of land. For residential condominiums, the Acres applicable to each condominium shall be determined by allocating the acreage of the underlying Parcel on which the condominiums are or are to be constructed equally to each condominium unit. For non-residential condominiums, the Acres applicable to each condominium shall be determined by allocating the acreage of the underlying Parcel on which the condominiums are or are to be constructed in proportion to each condominium's building square footage.

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

"Adjusted Rate and Method of Apportionment of Special Levy" means a rate and method of apportionment of special levy attached to a Supplemental Development Agreement.

"Administrative Expenses" means the actual or reasonably estimated costs permitted in accordance with the Act and directly related to the administration of District 2 as determined by the District 2 Board or its designee, including but not limited to, the costs of computing the District 2 Annual Special Levies and of preparing the collection schedules (whether by the District 2 Board or designee thereof or both); the costs of collecting the District 2 Annual Special Levies (whether by the County, or otherwise); the costs of remitting the District 2 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 District 2 or designee in computing the amount of rebatable arbitrage, if any; the costs of District 2 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 District 2 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 District 2 including the costs of prepayment of the District 2 Annual Special Levies; recordings related to the prepayment, discharge or satisfaction of the District 2 Annual Special Levies; and the costs of commencing and

pursuing to completion any foreclosure action arising from delinquent District 2 Annual Special Levies and the reasonable fees of legal counsel to District 2 incurred in connection with the foregoing.

"Administrator" means the designee of the District 2 Board responsible for determining the Special Levy Requirement, and coordinating the billing and collection of the District 2 Annual Special Levies.

"Affordable Workforce Housing" means any Dwelling Units which by deed restriction or other agreement or covenant meet the criteria for Affordable Workforce Housing as defined in the Workforce Housing Plan for Mesa Del Sol.

"Age Restricted Property" means all Residential Property and Mixed Use Property on which Dwelling Units subject to a minimum age restriction are located or are anticipated to be located.

"Association Property" means any property in District 2 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.

"Attached Dwelling Unit" means a Dwelling Unit which is attached to one or more Dwelling Units.

"Bonds" means any bonds, including refunding bonds, whether in one or more series, or other debt or obligations secured by the District 2 Annual Special Levy.

"Building Square Footage" means the total of the gross area of the floor surfaces within the exterior wall of the building; not including space devoted to stairwells, basement storage, required corridors, public restrooms, elevator shafts, light courts, vehicle parking and areas incident thereto, mechanical equipment incidental to the operation of such building, and covered public pedestrian circulation areas, including atriums, lobbies, plazas, patios, decks, arcades and similar areas, except such public circulation areas or portions thereof that are used solely for commercial purposes. The determination of Floor Area shall be made by reference to appropriate records kept by the City Planning Department.

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

"Common Area Property" means all property within the Employment Center, Community Center (including Blocks A, B, C, and D of Mesa Del Sol Residential Plat No. 2 Phase 1B), Village Center One, Urban Center, and the property other than the Urban Center located west of the escarpment (the "Highway Commercial") as identified in the Level B Plan Mesa del Sol Level B Master Plan dated October 2006 (the "Level B Plan").

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

"District 2 Adjusted Rate and Method of Apportionment of Special Levy" means the rate and method of apportionment of special levy attached to the District 2 Supplemental Development Agreement.

"District 2 Annual Special Levy" means the District 2 special levy collected in each Fiscal Year from each Parcel of District 2 Levyable Property pursuant to Section D to fund the Special Levy Requirement.

"District 2 Board" means the governing body of District 2.

"District 2 Exempt Property" means all property within District 2 which is exempt from the District 2 Annual Special Levy pursuant to Section G.

"District 2 Levyable Property" means all property within District 2 excluding (i) District 2 Exempt Property, and (ii) property which has prepaid the District 2 Maximum Annual Special Levy in full.

"District 2 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 2 Board in any Fiscal Year on Parcel of District 2 Levyable Property.

"District 2 Non-Common Area Property" means all property within District 2 excluding Common Area Property.

"District 2 Supplemental Development Agreement" means a supplemental public improvement district development agreement entered into by the City, Mesa Del Sol, LLC, and District 2.

"District 2 Supplemental General Plan" means the supplemental public improvement district general plan attached to the District 2 Supplemental Development Agreement.

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

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

"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.

"Industrial" means all Non-Residential Property on which light manufacturing/supporting facility, other production or other heavy commercial enterprise, warehousing and sale of industrial products, technical service and research company, or back office facility uses as defined in the City's Planned Communities Criteria: Policy Element are located or are

anticipated to be located. Industrial includes the following sub-categories: Business Park, Research/Technology Park, and Industrial/Warehouse and Distribution.

"Mesa Del Sol Public Improvement Districts" means, collectively, Mesa Del Sol Public Improvement District 1, Mesa Del Sol Public Improvement District 2, Mesa Del Sol Public Improvement District 3, Mesa Del Sol Public Improvement District 4, and Mesa Del Sol Public Improvement District 5.

"Mixed Use Property" means all Common Area Property on which Dwelling Units are or are anticipated to be located.

"Multi-Family Property" means all Residential Property on which Attached Dwelling Units to be located or anticipated to be located thereon are or are anticipated to be available for lease and/or rent to the general public and under common management.

"Non-Age Restricted Property" means all Residential Property and Mixed Use Property which is not classified as Age Restricted Property.

"Non-Residential Property" means all District 2 Levyable Property which is not classified as Residential Property or Mixed Use Property.

"Office" means all Non-Residential Property which is not classified as Industrial or Retail. Office includes, but is not limited to, offices, garden offices, bank headquarters, hospital/medical complexes, and corporate offices as set forth in the City's Planned Communities Criteria: Policy Element.

"Parcel" means a lot, parcel, and/or other interest in real property that is assigned a uniform property code as shown on a Parcel Map or on the County assessment roll.

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

"Permitted Property" means all District 2 Levyable Property for which a building permit has been issued as of the March 1 preceding the Fiscal Year in which the District 2 Annual Special Levy is being collected.

"Platted Property" means all District 2 Levyable Property for which a Final Plat has been recorded by the January 1 preceding the Fiscal Year in which the District 2 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 District 2 which is owned by or dedicated to the federal government, the State of New Mexico, the County, the City, or any local government or other public agency.

"Residential Property" means all District 2 Non-Common Area Property on which Dwelling Units are located or are anticipated to be located.

"Retail" means all Non-Residential Property on which specialty commercial, service commercial, daycare centers, entertainment, neighborhood scale commercial, convenience commercial, regional shopping center, regional commercial, restaurant, "hypermart"/multi-purpose retail, or supporting service commercial uses as set forth in the City's Planned Communities Criteria: Policy Element are located or are anticipated to be located. Retail includes the following sub-categories: Community Retail and Regional Retail.

"Single-Family Property" means all Residential Property which is not classified as Multi-Family Property.

"Special Levy Requirement" means that amount determined by the District 2 Board or its designee as required in any Fiscal Year to pay: (1) Administrative Expenses, (2) debt service on any Bonds, including the accumulation of District 2 Annual Special Levies for the payment of debt service on any Bonds (3) an amount equal to the anticipated delinquent District 2 Annual Special Levies, (4) any amount required to establish and/or 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, (6) for acquisition and/or construction of authorized public improvements to the extent that the inclusion of such amount does not increase the District 2 Annual Special Levy on Unplatted Property and Unpermitted Property which is classified as Common Area Property, and (7) any other requirements established in the Indenture.

"Supplemental Development Agreement" means a supplemental public improvement district development agreement entered into by the City, Mesa Del Sol, LLC, and any of the Districts.

"Supplemental General Plan" means a supplemental public improvement district general plan attached to a Supplemental Development Agreement.

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

"Unpermitted Mixed Use Property" means all Unpermitted Property that is classified as Mixed Use Property.

"Unpermitted Non-Residential Property" means all Unpermitted Property that is classified as Non-Residential Property.

"Unpermitted Property" means all Platted Property that is not classified as Permitted Property.

"Unpermitted Residential Property" means all Unpermitted Property that is classified as Residential Property.

"Unplatted Mixed Use Property" means all Unplatted Property that is classified as Mixed Use Property.

"Unplatted Non-Residential Property" means all Unplatted Property that is classified as Non-Residential Property.

"Unplatted Property" means all District 2 Levyable Property that is not classified as Platted Property or Permitted Property.

"Unplatted Residential Property" means all Unplatted Property that is classified as Residential Property.

B. CLASSIFICATION OF PROPERTY

On or about May 1 of each Fiscal Year, the Administrator shall determine the District 2 Exempt Property and District 2 Levyable Property. All District 2 Levyable Property shall be classified as Platted Property and Unplatted Property. All Platted Property shall be classified as Permitted Property or Unpermitted Property. All Permitted Property, Unpermitted Property, and Unplatted Property shall be classified as Residential Property, Mixed Use Property, or Non-Residential Property. All Residential Property and Mixed Use Property shall be classified as Age Restricted Property or Non-Age Restricted Property and assigned to levy classification 1, 2, 3, 4, 5, or 6 shown in Table 1 below. All Non-Residential Property shall be assigned to levy classification 7, 8, 9, 10, 11 or 12 shown in Table 1 below.

C. DISTRICT 2 MAXIMUM ANNUAL SPECIAL LEVY

The District 2 Maximum Annual Special Levy applicable to each Parcel of District 2 Levyable Property shall be determined by reference to Table 1 and is subject to adjustment as provided in the District 2 Adjusted Rate and Method of Apportionment of Special Levy. Prior to the recordation of a Final Plat in the case of Single-Family Property or prior to the issuance of a building permit in the case of Multi-Family Property or Mixed Use Property, the District 2 Maximum Annual Special Levy for a Parcel of Single-Family Property, Multi-Family Property, or Mixed Use Property shall be determined by multiplying the expected number and classification of Dwelling Units for such Parcel, as determined from the Exhibit A attached to the District 2 Adjusted Rate and Method of Apportionment of Special Levy, by the corresponding special levy amounts. Prior to the issuance of a building permit in the case of Non-Residential Property, the District 2 Maximum Annual Special Levy for a Parcel of Non-Residential Property shall be determined (i) by multiplying the expected building square feet for such Parcel, as determined from the Exhibit B attached to the District 2 Adjusted Rate and Method of Apportionment of Special Levy, by the corresponding special levy amount or if there is no applicable Exhibit B (ii) by multiplying the Acreage for such Parcel by the corresponding special levy amount. If there are multiple property types on a Parcel, then the District 2 Maximum Annual Special Levy shall be equal to the sum of the District 2 Maximum Annual Special Levy applicable to each classification of property.

The Common Area Property is included, in the aggregate, in each of the Mesa Del Sol Public Improvement Districts. However, each parcel included in the Common Area Property will be subject to a single adjusted maximum annual special levy set forth in the applicable Supplemental General Plan and the corresponding Adjusted Rate and Method of Apportionment of Special Levy, as may be amended.

1. Annual Increase in District 2 Maximum Annual Special Levy

The District 2 Maximum Annual Special Levy for all District 2 Levyable Property shall increase by two percent (2.00%) annually commencing with Fiscal Year 2009-2010, irrespective of the Fiscal Year in which the billing and collection of the District 2 Annual Special Levy is commenced.

TABLE 1
DISTRICT 2 MAXIMUM ANNUAL SPECIAL LEVIES
FISCAL YEAR 2008-09

| LEVY CLASSIFICATION Residential Property ¹ (Permitted, Unpermitted, and Unplatted Property) | DISTRICT 2 NON- COMMON AREA PROPERTY | DISTRICT 2 MAXIMUM ANNUAL SPECIAL LEVY | | | | |
|--|--|--|---------------------|--------------------------|-----------------|-----------------------|
| | | COMMON AREA PROPERTY | | | | |
| | | EMPLOYMENT CENTER | COMMUNITY CENTER | VILLAGE CENTER ONE | URBAN CENTER | HIGHWAY COMMERCIAL |
| Non-Age Restricted Property | | | | | | |
| 1 Single-Family Property | \$3,477 | NA | NA | NA | NA | NA |
| 2 Multi-Family Property Age Restricted Property | \$3,477 | NA | NA | NA | NA | NA |
| 3 Single-Family Property | \$3,477 | NA | NA | NA | NA | NA |
| 4 Multi-Family Property Mixed Use Property ² (Permitted, Unpermitted, and Unplatted Property) | \$3,477 | NA | NA | NA | NA | NA |
| 5 Non-Age Restricted Property | NA | \$1,589 | \$1,589 | \$1,335 | \$1,471 | \$1,589 |
| 6 Age Restricted Property | NA | \$1,589 | \$1,589 | \$1,335 | \$1,471 | \$1,589 |

¹ Per Dwelling Unit
² Per Dwelling Unit

*Rate and Method of Apportionment of Special Levy
 May Not Set Public Improvement District 2*

TABLE 1 (CONTINUED)
DISTRICT 2 MAXIMUM ANNUAL SPECIAL LEVIES
FISCAL YEAR 2008-09

| LEVY CLASSIFICATION Non-Residential Property (Permitted Property) ³ | DISTRICT 2 NON- COMMON AREA PROPERTY | COMMON AREA PROPERTY | | | | | HIGHWAY COMMERCIAL |
|--|--|----------------------|---------------------|--------------------------|-----------------|----------|-----------------------|
| | | EMPLOYMENT CENTER | COMMUNITY CENTER | VILLAGE CENTER ONE | URBAN CENTER | | |
| 7 Office | \$5,996 | \$2,405 | \$2,453 | \$2,282 | \$1,851 | \$5,996 | |
| 8 Industrial | \$5,321 | \$2,405 | \$2,453 | \$2,282 | \$1,851 | \$5,321 | |
| 9 Retail | \$5,996 | \$2,405 | \$2,453 | \$2,282 | \$1,851 | \$5,996 | |
| Non-Residential Property (Unpermitted Property and Unplatted Property) ⁴ | | | | | | | |
| 10 Office | \$62,685 | \$25,140 | \$25,644 | \$23,853 | \$19,351 | \$62,685 | |
| 11 Industrial | \$32,447 | \$14,665 | \$14,959 | \$13,914 | \$11,288 | \$32,447 | |
| 12 Retail | \$62,685 | \$25,140 | \$25,644 | \$23,853 | \$19,351 | \$62,685 | |

³ Per 1,000 building square feet
⁴ Per Acre.

*Rate and Method of Apportionment of Special Levy
 Mesa Del Sol Public Improvement District 2*

D. APPORTIONMENT OF DISTRICT 2 ANNUAL SPECIAL LEVY

Commencing with Fiscal Year 2008-2009 and for each following Fiscal Year, the District 2 Board shall apportion the District 2 Annual Special Levy to each Parcel of District 2 Levyable Property in equal percentages so that the District 2 Annual Special Levies equal the Special Levy Requirement in accordance with the following steps:

First: The District 2 Annual Special Levy shall be collected from each Parcel of (i) Permitted Property and (ii) Unpermitted Residential Property in equal percentages up to 100% of the applicable District 2 Maximum Annual Special Levy;

Second: If additional monies are needed to fund the Special Levy Requirement after the first step, the District 2 Annual Special Levy shall be collected from each Parcel of Unplatted Residential Property in equal percentages up to 100% of the applicable District 2 Maximum Annual Special Levy;

Third: If additional monies are needed to fund the Special Levy Requirement after the second step, the District 2 Annual Special Levy shall be collected from each Parcel of Unpermitted Non-Residential Property which is not classified as Common Area Property in equal percentages up to 100% of the applicable District 2 Maximum Annual Special Levy;

Fourth: If additional monies are needed to fund the Special Levy Requirement after the third step, the District 2 Annual Special Levy shall be collected from each Parcel of Unplatted Non-Residential Property which is not classified as Common Area Property in equal percentages up to 100% of the applicable District 2 Maximum Annual Special Levy;

Fifth: If additional monies are needed to fund the Special Levy Requirement after the fourth step, the District 2 Annual Special Levy shall be collected from (i) each Parcel of Unpermitted Mixed Use Property and (ii) each Parcel of Unpermitted Non-Residential Property which is classified as Common Area Property in equal percentages up to 100% of the applicable District 2 Maximum Annual Special Levy; and

Sixth: If additional monies are needed to fund the Special Levy Requirement after the fifth step, the District 2 Annual Special Levy shall be collected from (i) each Parcel of Unplatted Mixed Use Property and (ii) each Parcel of Unplatted Non-Residential Property which is classified as Common Area Property in equal percentages up to 100% of the applicable District 2 Maximum Annual Special Levy.

Equal percentages means the District 2 Annual Special Levy for each Parcel of a given class of property, computed as a percentage of its applicable District 2 Maximum Annual Special Levy, is the same as for all other Parcels of such class of property.

E. MANNER OF COLLECTION

The District 2 Annual Special Levy shall constitute a lien on the property subject thereto which shall have priority co-equal to the lien of general ad valorem property taxes. The District 2 Annual Special Levy will be billed by the County in the same manner and at the same time as general ad valorem property taxes and will appear as a separate item on the property tax bill for taxable property within District 2 as that property is identified on the tax roll on January 1 of each year in which the District 2 Annual Special Levy is in effect. As provided in the Act, District 2 has established foreclosure remedies which shall apply following nonpayment of the District 2 Annual Special Levy, which are referred to in the Notice of Imposition of Special Levy. Under those procedures, the District 2 Annual Special Levy is subject to foreclosure by District 2 beginning six months after written notice of delinquency is provided to the owner of the real property to which the delinquency applies. The lien of the District 2 Annual Special Levy includes delinquencies, penalties and interest thereon at a rate not to exceed the maximum legal rate of interest per year and penalties otherwise applicable.

F. TERM

The District 2 Annual Special Levy shall cease to be levied and collected following the payment of all interest, principal, and premium, if any, for the Bonds secured thereby.

G. EXEMPTIONS

Property exempt from the District 2 Annual Special Levy consists of (i) Association Property, (ii) Public Property, and (iii) Affordable Workforce Housing.

H. PREPAYMENT

The District 2 Maximum Annual Special Levy for any Parcel may be prepaid in full or in part following the expiration of any such period in which prepayment is prohibited, if applicable, or if not applicable following the issuance of Bonds, and the obligation of the Parcel to pay that portion of the District 2 Maximum Annual Special Levy that has been prepaid shall be permanently satisfied as described herein, provided that a prepayment may be made only if there are no outstanding delinquent District 2 Annual Special Levies with respect to such Parcel and all other Parcels under the same ownership at the time of prepayment and provided that the District 2 Board may prohibit prepayment of the District 2 Maximum Annual Special Levy for up to five years following the issuance of the first series of Bonds .

An owner of a Parcel intending to prepay the District 2 Maximum Annual Special Levy shall provide the District 2 Board with written notice of intent to prepay and the amount of the District 2 Maximum Annual Special Levy to be prepaid. Within 30 days of receipt of such written notice, the District 2 Board or its designee shall notify such owner of the prepayment amount for such Parcel and the date through which such prepayment shall be valid.

Notwithstanding the foregoing, no Full Prepayment or Partial Prepayment shall be allowed unless the amount of District 2 Maximum Annual Special Levy that may be collected after the proposed prepayment is equal to the sum of the Administrative Expenses and one hundred ten percent (110%) or such other debt service coverage ratio as set forth in the Indenture of the annual debt service on all outstanding Bonds to which such District 2 Adjusted Maximum Annual Special Levies are pledged first.

1. Full Prepayment

A "Full Prepayment" means an amount equal to (a) the sum of (1) Principal, (2) Premium, (3) Defeasance, (4) Unfunded Improvements, and (5) Fees minus (b) the sum of (1) the Reserve Fund Credit and (2) the Capitalized Interest Credit, if provided for in the Indenture, where the terms "Principal," "Premium," "Defeasance," "Unfunded Improvements," "Fees," "Reserve Fund Credit," and "Capitalized Interest Credit" have the following meanings:

"Principal" means the principal amount of Bonds to be redeemed and equals the quotient derived by dividing (i) the then applicable District 2 Maximum Annual Special Levy for the Parcel intending to prepay by (ii) the corresponding District 2 Maximum Annual Special Levies for District 2, (and excluding from (ii) any District 2 Maximum Annual Special Levies for Parcels which have been previously prepaid), and multiplying the quotient by the principal amount of outstanding Bonds.

"Premium" means an amount equal to the Principal multiplied by the applicable redemption premium, if any, for any Bonds so redeemed with the proceeds of any such prepayment.

"Defeasance" means the amount needed to pay interest on the Principal to be redeemed until the earliest redemption date for the outstanding Bonds less any District 2 Annual Special Levies heretofore paid for such Parcel and available to pay interest on the redemption date for the Bonds.

"Unfunded Improvements" means an amount equal to the quotient used to determine Principal multiplied by the estimated cost of the public improvements to be financed as set forth in the District 2 Supplemental General Plan less the public improvement costs actually financed by the Bonds, with such amount not to be less than zero. Notwithstanding the preceding sentence, Unfunded Improvements shall equal zero following the District 2 Board's determination that all Bonds have been issued.

"Fees" equal the expenses of District 2 associated with the Prepayment as calculated by the District 2 Board or its designee and include, but are not limited to, the following administrative and legal costs: computing the Full Prepayment, amendment of any District 2 Annual Special Levy previously enrolled with the County, redemption of the Bonds, and the costs of recording and publishing any notices to evidence the prepayment of the District 2 Maximum Annual Special Levy and the redemption of Bonds.

"Reserve Fund Credit" shall equal the lesser of (i) the Reserve Fund Requirement (as such term is defined in the Indenture) multiplied by the quotient used to calculate Principal or (ii) an amount determined by subtracting the Reserve Requirement in effect after the redemption of Bonds from the balance in the Reserve Fund (as such term is defined in the Indenture) on the prepayment calculation date, provided that the amount determined is not less than zero.

"Capitalized Interest Credit" shall equal the reduction in interest payable on the Bonds due to the redemption of Principal from the Full Prepayment from the redemption date for the Bonds redeemed from the Full Prepayment to the end of the capitalized interest period, as determined by the Board or its designee. No capitalized interest credit is given if the redemption date for the Bonds redeemed from the Full Prepayment occurs after the capitalized interest period.

The sum of the amounts calculated in the preceding steps shall be paid to District 2 and shall be (a) used to pay interest and principal on Bonds, (b) used to redeem Bonds in accordance with the Indenture, (c) used to pay Fees associated with the Full Prepayment, and (d) deposited in the applicable account held by the Trustee for the construction and/or acquisition of public improvements. Upon the receipt of the Full Prepayment by District 2 and the deposit of such funds with the Trustee, the obligation to pay the District 2 Maximum Annual Special Levy for such Parcel shall be deemed to be permanently satisfied, the District 2 Maximum Annual Special Levy shall not be levied thereafter on such Parcel, and the Administrator shall cause a notice of cancellation of the District 2 Maximum Annual Special Levy for such Parcel to be recorded.

2. Partial Prepayment

A "Partial Prepayment" means an amount computed pursuant to the preceding Section H.1 by substituting (i) the portion of the District 2 Maximum Annual Special Levy to be prepaid for the term District 2 Maximum Annual Special Levy when computing Principal and Unfunded Improvements and (ii) the term "Partial Prepayment" for the term "Full Prepayment."

I. AMENDMENTS

This Rate and Method of Apportionment of Special Levy may be amended pursuant to and to the extent permitted by the Act. The District 2 Board may make clarifications with respect to this Rate and Method of Apportionment of Special Levy without further notice under the Act and without notice to owners of District 2 Levyable Property in order to (i) clarify or correct minor inconsistencies in the matters set forth herein; (ii) provide for lawful procedures for the collection and enforcement of the District 2 Annual Special Levy so as to ensure the efficient collection of the District 2 Annual Special Levy for the benefit of the owners of the Bonds and District 2, respectively; and/or (iii) to reallocate cost and/or benefit of public infrastructure improvements among Mesa Del Sol Public Improvement Districts 1 through 5 (each a "District" or "PID" and together the "Districts" or "PIDs") due to changes

in land uses and related public infrastructure requirements within PIDs 1 through 5 or any one of them, that are not anticipated at this time. The District 2 Board may reallocate costs and/or benefits pursuant to subpart (iii) of the preceding sentence without further notice under the Act or notice to owners of the District 2 Levyable Property if such reallocation will not increase the District 2 Annual Special Levy, but shall obtain the written consent of the governing board of any of PIDs 1 and 3 through 5 and the owners of 100% of the property therein that is subject to a PID special levy if such reallocation will increase the annual special levy within any of PIDs 1 and 3 through 5. The District 2 Board may amend this Rate and Method of Apportionment of Special Levy in connection with a Supplemental General Plan without further notice under the Act and without notice to owners of District 2 Levyable Property in order to specify the District 2 Adjusted Maximum Annual Special Levy for any District 2 Levyable Property that is the subject of the Supplemental General Plan.

No amendment to this Rate and Method of Apportionment of Special Levy shall be approved by the District 2 Board if it violates any other agreement binding upon District 2 and unless, and until it has (i) found and determined that the amendment is necessary and appropriate and does not materially adversely affect the rights of the owners of the Bonds or the District 2 Board has obtained the consent of one hundred percent (100.00%) of the owners of the Bonds and (ii) received an opinion from bond counsel to the effect that the amendment does not violate the Act, and is authorized pursuant to the terms of the Indenture and this Rate and Method of Apportionment of Special Levy.

K:\CLIENTS2\Forest City Covington\Mesa Del Sol\Formation Documents\RMA\District 2 Unadjusted RMA 10 (2nd submittal - revised) clean.doc