

FIESTA PUBLIC IMPROVEMENT DISTRICT

NOTICE OF INFORMATION

NOTICE IS HEREBY GIVEN of that certain information (the "Information") relating to the Fiesta Public Improvement District (the "District"), which the District, pursuant the Public Improvement District Act, is required to file and record with the Valencia 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 the 660 Main Street NW, Los Lunas, New Mexico 87031.

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

Executed effective the 11 day of May, 2021, at Los Lunas, New Mexico.


FIESTA
PUBLIC IMPROVEMENT DISTRICT

By: Gino Romero
Gino Romero
District Chair

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

This instrument was acknowledged before me on the 11 day of May, 2021, by Gino Romero as Chair of the Fiesta Public Improvement District.

Debra J. Sanchez
Notary Public

(Seal)  OFFICIAL SEAL
Debra J. Sanchez
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 2/22/2024

My commission expires: 2/22/2024

EXHIBIT A
TO FIESTA PUBLIC IMPROVEMENT DISTRICT
NOTICE OF INFORMATION PURSUANT TO § 5-11-18(B), NMSA 1978

LEGAL DESCRIPTION OF FIESTA PUBLIC IMPROVEMENT DISTRICT

Tracts 1A-1A-1A-1A-1-A and 1A-1A-1A-1A-1-B, Los Cerritos De Los Lunas Subdivision, Neighborhood "A" Phase V, as recorded on August 19, 2019, on Document #201908406 in Cabinet M, Book 433, of the public records of Valencia County, Village of Los Lunas, Valencia County, New Mexico,

Tract 1A-1A-1A-1A-2, Los Cerritos De Los Lunas Subdivision, Neighborhood "A", Phase V, as recorded on August 22, 2018, on Document #201808673 in Cabinet M, Book 401, of the public records of Valencia County, Village of Los Lunas, Valencia County, New Mexico,

Tract 1A-1A-1A-1B, Los Cerritos De Los Lunas Subdivision, Neighborhood "A", Phase V, as recorded on September 13, 2017, on Document #201709375 in Cabinet M, Book 350, of the public records of Valencia County, Village of Los Lunas, Valencia County, New Mexico,

Tract 1, Inspiración Subdivision, Phase 1, as recorded on December 23, 2019, on Document #201913264 in Cabinet M, Book 442 of the public records of Valencia County, Village of Los Lunas, Valencia County, New Mexico,

Tract A-1-A, Inspiración Subdivision, Phase 1, as recorded on December 23, 2019, on Document #201913264 in Cabinet M, Book 442 of the public records of Valencia County, Village of Los Lunas, Valencia County, New Mexico,

Parcel A3, Inspiración Subdivision, Phase 2, as recorded on January 14, 2020, on Document #202000530 in Cabinet M, Book 446 of the public records of Valencia County, Village of Los Lunas, Valencia County, New Mexico,

and

Lots 35 through 62, inclusive, and Lots 86 through 101, inclusive, Inspiración Subdivision, Phase 2, as recorded on January 14, 2020, on Document #202000530 in Cabinet M, Book 446 of the public records of Valencia County, Village of Los Lunas, Valencia County, New Mexico.

EXHIBIT B
TO FIESTA PUBLIC IMPROVEMENT DISTRICT
NOTICE OF INFORMATION PURSUANT TO § 5-11-18(B), NMSA 1978

NOTICE OF INFORMATION TO PURCHASERS (WITH EXHIBIT)

**NOTICE OF INFORMATION
FOR FIESTA PUBLIC IMPROVEMENT DISTRICT**

TO: The Prospective Purchaser of Real Property in Fiesta 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"), Village Ordinance No. 448 (the "Village Policy Guidelines"), and Village of Los Lunas, New Mexico Resolution No. 20-11 adopted on June 25, 2020 and approving the formation of the District (the "Formation Resolution"). The District is comprised of two improvement areas, which may be developed in phases (the "Improvement Areas").

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 by the District. Debt service on those special levy bonds is to be satisfied through a special levy imposed on the Property and other property located in its Improvement Area in accordance with the Rate and Method of Special Levy Apportionment (defined in the Formation Resolution) as accepted and approved by the Village of Los Lunas, New Mexico (the "Village") in the Formation Resolution (a "Special Levy"). The District may also finance all or a portion of the costs associated with the Public Infrastructure Improvements benefiting an Improvement Area, as well as other Public Infrastructure Purposes, from the collection of a Special Levy, with or without the issuance of the District Bonds, either directly or through the satisfaction of subordinate promissory notes and other obligations of the District.

3. If you purchase the Property, you will be obligated to pay a Special Levy, once imposed, 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, once 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 DISTRICT HAS NOT AUTHORIZED THE IMPOSITION OF A SPECIAL LEVY. HOWEVER, IF AUTHORIZED BY THE BOARD, THE MAXIMUM SPECIAL LEVY THAT MAY BE IMPOSED ON THE PROPERTY IS IDENTIFIED IN THE DISTRICT'S RATE AND METHOD OF SPECIAL LEVY APPORTIONMENT AS APPROVED BY THE VILLAGE IN ITS FORMATION RESOLUTION, 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.

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, ONCE 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 A Special Levy, once imposed, may be obtained from the Village through the Village Administrator's Office, whose office is located at 660 Main Street, Los Lunas, New Mexico.

9. A feasibility study was completed as part of the formation of the District and the feasibility study is available from the Village through the Village Administrator's Office, whose office is located at 660 Main Street, Los Lunas, 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 Valencia County, New Mexico.

Signature: _____
Print Name _____

Signature: _____
Print Name _____
(additional signature, if required)

**NOTICE OF INFORMATION TO PURCHASERS
FOR FIESTA PUBLIC IMPROVEMENT DISTRICT**

EXHIBIT 1

RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY

RATE AND METHOD OF APPORTIONMENT

RATE AND METHOD OF APPORTIONMENT FOR FIESTA PUBLIC IMPROVEMENT DISTRICT

The following sets forth the Rate and Method of Apportionment ("RMA") for the levy and collection of Special Levies of the Fiesta Public Improvement District (the "District"). An Annual Special Levy shall be levied on and collected in the two (2) individual Improvement Areas, as defined herein, each Fiscal Year, in an amount determined through the application of the RMA described below. All of the real property in each Improvement Area, unless exempted by law or by the provisions hereof, shall be levied for the purposes, to the extent, and in the manner provided herein.

An Annual Special Levy shall be levied, extended, and collected in each Improvement Area in the Fiesta 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 each Improvement Area of the PID, unless exempted by the provisions hereof, shall be subject to the Annual Special Levy for such Improvement Area 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 (2001, as amended).

"Administrative Expenses" means the actual or reasonably estimated costs permitted in accordance with the Act and directly related to the administration of each of the two (2) Improvement Areas 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) within an Improvement Area; the costs of collecting the Annual Special Levies (whether by the Village, or otherwise) within an Improvement Area; the costs of remitting the Annual Special Levies to the Trustee for any Bonds issued for a specific Improvement Area; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under any Indenture relating to debt secured by Annual Special Levies from an Improvement Area; the costs of computing the amount of rebatable arbitrage, if any for debt secured by Annual Special Levies for an Improvement Area; the costs of complying with the disclosure requirements of applicable federal and state securities laws and of the Act for debt secured by Annual Special Levies for an Improvement Area, 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 for debt secured by Annual Special Levies for an Improvement Area. Administrative Expenses shall also include amounts advanced for any administrative purpose of the District or an Improvement Area 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 imposed within an Improvement Area.

"**Annual Special Levy**" means the separate special levy imposed in each Improvement Area and collected in each Fiscal Year from each Parcel in its respective Improvement Area pursuant to Section D to fund the Special Levy Requirement.

"**Anticipated Special Levy Requirement**" means the Special Levy Requirement determined by the District assuming all Residential Property within an Improvement Area is Developed Platted Property.

"**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 notes, debt or obligations, including refunding bonds, issued by the District, whether in one or more series, secured by the Annual Special Levy collected on behalf of one or more specified Improvement Areas.

"**County**" means the County of Valencia, 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**" means Fiesta Public Improvement District.

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

"**Dwelling Unit**" or "**DU**" means a residential dwelling unit which may be attached or detached.

"**Exempt Property**" means all property within the District exempt from the Annual Special Levy pursuant to Section G or by prepayment pursuant to Section H.

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

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

"**Improvement Area**" means one (1) of two (2) Improvement Areas of the District, each of which is independent of the other Improvement Areas and each of which is a class of property to which a Special Levy will apply, as identified on the boundary map for the District, as shown on **Exhibit C**, attached hereto. The District shall impose a separate and

distinct Annual Special Levy in each Improvement Area. The District may combine Improvement Areas into a single Improvement Area if it determines that the interest of the property owners of the respective Improvement Areas will be served by merging the Improvement Areas, the merger will enhance the marketability of the special levy bonds and/or reduce issuance costs for the special levy bonds.

"**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.

"**Institutional Property**" means all property within the District designated as institutional property on the map of the District, shown on **Exhibit C**, attached hereto.

"**Levyable Property**" means all property within an Improvement Area of the District which is not Exempt Property.

"**Maximum Annual Special Levy**" means the maximum Annual 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 an Improvement Area of in 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 Industrial 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 Village.

"**Public Property**" means all property within an Improvement Area in the District owned by or dedicated to the federal government, the State of New Mexico, the County, Village, or any local government or other public agency as of June 30 of the prior Fiscal Year. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the District Administrator in writing of such acquisition, offer or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"**RMA**" means this Rate and Method of Apportionment of Special Levy for the District.

"**Residential Property**" means all portions of Parcels or Levyable Property for which a building permit for purposes of a Dwelling Unit (i) may and is anticipated to be issued or (ii) has been issued.

"**Senior Special Levy Bonds**" means any Bonds, including parity and/or refunding Bonds, which are secured by a first lien and pledge of the Maximum Annual Special Levies collected from specified Improvement Areas.

"Special Levy Requirement" means that amount determined by the District Board or its designee as required in any Fiscal Year for a specified Improvement Area to pay and/or reimburse amounts advanced to pay for that separate Improvement Area: (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, (6) to the extent that Bonds have not been issued, for the reimbursement for the construction and/or acquisition of authorized Public Improvements provided that the inclusion of such costs does not place a levy of Special Levies on the Undeveloped Platted Property or the Undeveloped Property, and (7) for the specified Improvement Area's proportionate share of costs incurred in connection with the formation of the PID. In no event shall a Special Levy be imposed on an Improvement Area for the purpose of paying or reimbursing another Improvement Area for items (1) through (7) above.

"Subordinate Special Levy Bonds" means any Bonds which are not Senior Special Levy Bonds.

"Total Maximum Annual Special Levies" means the sum of the Maximum Annual Special Levy for each Parcel within each Improvement Area of the PID.

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

"Undeveloped Platted Property" means all Platted Property for which a certificate of occupancy permit has not been issued by April 30 preceding the Fiscal Year for which the Annual Special Levy is being collected.

"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 each Improvement Area shall be classified as Exempt Property or Levyable Property. All Levyable Property 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 the illustrations set forth below.

1. Maximum Annual Special Levy

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 Dwelling Units, or if the Preliminary Plat has not been filed, then the number and classification of acreage, as

determined from **Exhibit A**, by the corresponding Maximum Annual Special Levy amounts set forth in Table 1 below.

Table 1
Fiesta
Public Improvement District
Maximum Annual Special Levy

Description	Max. Annual Special Levy Improvement Area 1	Max. Annual Special Levy Improvement Area 2
Developed, Platted ⁽¹⁾	\$750/unit	\$750/unit
Undeveloped, Platted ⁽¹⁾⁽²⁾	\$825/unit	\$825/unit
Undeveloped, Property ⁽¹⁾⁽²⁾⁽³⁾	\$4,014/acre	\$4,246/acre

Footnotes

(1) Includes administrative costs as well as 110% debt service coverage.

(2) Includes a 10% contingency applied to undeveloped units (undeveloped, platted) and taxable acreage where where Land is not platted (undeveloped, property) to cover debt service on bonds.

(3) Assumes 89 taxable acres in Improvement Area 1 and 109 net taxable acres in Improvement Area 2.

2. Revision to Maximum Annual Special Levy or Prepayment Required Due to Reduction in Total Maximum Annual Special Levies

If at any time the Administrator determines that there has been or will be a reduction in the Total Maximum Annual Special Levies as a result of an amendment to **Exhibit A**, a revision in the number of Dwelling Units, or other event which reduces the Total Maximum Annual Special Levies such that the annual debt service coverage ratio on any issued and outstanding Senior Special Levy Bonds 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 revised 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 Total Maximum Annual Special Levies less estimated Administrative Expenses by (ii) the sum of the corresponding annual interest and principal payments on the Senior Special Levy 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 in the total Maximum Annual Special Levy, 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 Senior Special Levy 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. The District Board shall take such steps as appropriate to record notice of any such change. 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 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 on the Senior Special Levy Bonds 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% on the Senior Special Levy Bonds shall serve as the denominator when computing principal.

3. 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 2020-2021 and for each following Fiscal Year, the District Board shall apportion the Annual Special Levy to each Parcel of Levyable Property in each Improvement Area in equal percentages until the Annual Special Levies equal the Special Levy Requirement for that Improvement Area, provided the Annual Special Levy for any Residential Property 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 an Improvement Area 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 in an Improvement Area after the first step, the Annual Special Levy shall be collected from each Parcel of Undeveloped Platted Property in an Improvement Area 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 in an Improvement Area after the second step, the Annual Special Levy shall be collected from each Parcel of Undeveloped Property in that Improvement Area 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 in an Improvement Area, computed as a percentage of its applicable Maximum Annual Special Levy, is the same as for all other Parcels of Developed Platted Property in that Improvement Area; the Annual Special Levy for each Parcel of Undeveloped Platted Property in the Improvement Area, computed as a percentage of its applicable Maximum Annual Special Levy, is the same as for all other Parcels of Undeveloped Platted Property in that Improvement Area; and the Annual Special Levy for each Parcel of Undeveloped Property in an Improvement Area, computed as a percentage of its applicable Maximum Annual Special Levy, is the same as for all other Parcels of Undeveloped Property in that Improvement Area.

E. MANNER OF COLLECTION

The 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 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 real property within each Improvement Area as that property is identified on the tax roll on January 1 of each year in which the Annual Special Levy is in effect. As provided in the Act, the District has established foreclosure remedies which shall apply following nonpayment of the Annual Special Levy, which are referred to in the Notice of Imposition of Special Levy. Under those procedures, the Annual Special Levy is subject to foreclosure by the District 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 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 Annual Special Levy that is pledged to pay debt service on the Bonds shall cease to be levied and collected following the payment of all scheduled interest, principal, and premium, if any, for the Bonds.

G. EXEMPTIONS

Property exempt from the Annual Special Levy consists of (i) Association Property, (ii) Institutional Property, and (iii) Public Property.

H. PREPAYMENT

The Maximum Annual Special Levy for the current and all remaining Fiscal Years through the final maturity of the outstanding Bonds for any Parcel may be prepaid in full or in part and the obligation of the Parcel to pay that portion of the Maximum Annual Special Levy that has been prepaid permanently satisfied as described herein, provided that a prepayment may be made only if there are no outstanding delinquent Annual Special Levies with respect to such Parcel and all other Parcels under the same ownership at the time of prepayment. An owner of a Parcel intending to prepay the Maximum Annual Special Levy shall provide the District Board with written notice of intent to prepay and the amount of the Maximum Annual Special Levy to be prepaid. Within 30 days of receipt of such written notice, the District 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.

A "**Full Prepayment**" means an amount equal to (a) the sum of (1) Principal, (2) Premium, (3) Defeasance, (4) Unfunded Public Improvement Costs, 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 Public Improvement Costs," "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 Maximum Annual Special Levy for the Parcel intending to prepay by (ii) the corresponding Maximum Annual Special Levies for the corresponding District Improvement Area, (and excluding from (ii) any Maximum Annual Special Levies for Parcels which have been previously prepaid in that Improvement Area), and multiplying the quotient by the principal amount of outstanding Bonds for that Improvement Area.

"**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 in the specific Improvement Area less any Annual Special Levies heretofore paid for such Parcel and available to pay interest on the redemption date for the Bonds.

"**Unfunded Public Improvement Costs**" means the portion of the public improvement costs for that Improvement Area that have not been financed and/or reimbursed from Bond proceeds that is allocable to the Parcel to which the Full Prepayment applies and equals the quotient derived by dividing (i) the then applicable Maximum Annual Special Levy for the Parcel intending to prepay by (ii) the corresponding Maximum Annual Special Levies for the Improvement Area in which the Parcel is located, (and excluding from (ii) any Maximum Annual Special Levies for Parcels in that Improvement Area which have been previously prepaid), and multiplying the quotient by the aggregate amount of public improvement costs attributable to that Improvement Area that have not

been financed and/or reimbursed from Bond proceeds as determined by the Administrator.

"Fees" equal the expenses of the District and/or an Improvement Area associated with the Prepayment as calculated by the District Board or its designee and include, but are not limited to, the costs of computing the Full Prepayment, the costs of amending any Annual Special Levy previously enrolled with the County, the costs of redeeming the Bonds, and the costs of recording and publishing any notices to evidence the prepayment of the 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 is after the capitalized interest period.

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

Notwithstanding the foregoing, no Full Prepayment shall be allowed unless the amount of Maximum Annual Special Levy that may be collected after the proposed prepayment is at least the sum of (i) the estimated Administrative Expenses associated with and/or allocable to the Special Levy Requirement and (ii) one hundred ten percent (110%) of the debt service for the Senior Special Levy Bonds issued and outstanding, taking into account the amount of Senior Special Levy Bonds to remain outstanding after such prepayment.

I. AMENDMENTS

This RMA may be amended and/or supplemented pursuant to and to the extent permitted by the Act. The District Board may make clarifications and adopt supplements to the RMA for each Improvement Area with respect to this RMA without further notice under the Act and without notice to owners of property within an Improvement Area 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 Annual Special Levy so as to ensure

the efficient collection of the Annual Special Levy for the benefit of the owners of the Bonds and the District, respectively, and/or (iii) provide for such other changes that are within the parameters set forth in the Village's public improvement district formation resolution forming the Improvement Area of the District. The District Board may amend this RMA in connection with an amended Fiesta Public Improvement District General Plan without further notice under the Act and without notice to owners of Levyable Property in order to specify the amended Maximum Annual Special Levy for any Levyable Property that is the subject of the Amended General Plan.

No amendment shall be approved by the District Board if it violates any other agreement binding upon the District 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 of a specific Improvement Area or the District Board has obtained the consent of one hundred percent (100%) of the owners of the Bonds for a specific Improvement Area 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 RMA or any respective Supplement RMA.

RMA - EXHIBIT A

Estimated Dwelling Units by Improvement Area

Description	Residential Dwelling Units
Improvement Area 1	433
Improvement Area 2	561
Total	994

Source: Developer.

RMA - EXHIBIT B
Certificate to Amend Exhibit A
Of the Rate and Method of Apportionment of Special Levy
For the District

By execution hereof, the undersigned acknowledges, on behalf of the District Board of the Public Improvement District approval of this certificate and modification of **Exhibit A**, Levy Calculations, of the Rate and Method of Apportionment as set forth in this certificate.

DISTRICT BOARD

By: _____
Administrator Signature

Printed Name

Date: _____