

**CITY OF MODESTO
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(WOODGLEN)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

Special Taxes applicable to each Assessor’s Parcel in the City of Modesto Community Facilities District No. 2021-1 (Woodglen) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Accessory Unit**” means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with an SFD Unit.

“**Acre**” or “**Acreage**” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder’s Office.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means any or all of the following: expenses incurred by the City in carrying out its duties with respect to the CFD, including, but not limited to, levying and collecting Special Taxes; the fees and expenses of legal counsel; charges levied by the County Auditor’s Office, Tax Collector’s Office, and/or Treasurer’s Office; costs related to annexing property into the CFD; costs related to property owner inquiries regarding the Special Taxes; and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

“**Administrator**” means the person or firm designated by the City to administer the Special Taxes according to this RMA.

“**Annual Maintenance Special Tax**” means a Special Tax levied in any Fiscal Year to pay the Annual Maintenance Special Tax Requirement, as defined below.

“**Annual Maintenance Special Tax Requirement**” means the amount of revenue needed in any Fiscal Year to pay for: (i) Authorized Services, (ii) establishment of reserves, (iii) Administrative

Expenses, and (iv) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred in prior Fiscal Years.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means a unique number assigned to an Assessor’s Parcel by the County Assessor for purposes of identifying a property.

“Authorized Services” means the public services authorized to be funded by the CFD as set forth in the documents adopted by the City Council when the CFD was formed.

“Building Permit” means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

“Certificate of Occupancy” means the first certificate, including any temporary certificate of occupancy, issued by the City to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential or non-residential use.

“CFD” means the City of Modesto Community Facilities District No. 2021-1 (Woodglen).

“CFD Formation” means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

“City” means the City of Modesto.

“City Council” means the City Council of the City of Modesto.

“County” means the County of Stanislaus.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Taxable Owners Association Property or Taxable Public Property for which a Building Permit was issued prior to June 30 of the preceding Fiscal Year.

“Development Class” means, individually, Developed Property, Taxable Owners Association Property, and Taxable Public Property.

“Escalation Factor” means, in any Fiscal Year, the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%).

“Final Map” means a final map approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410, *et seq.*) that creates individual lots on which a building permit can be issued for construction of Residential Units without further subdivision of the lots.

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

“Maximum Annual Maintenance Special Tax” means the greatest amount of Annual Maintenance Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Sections C and D.

“Maximum One-Time Facilities Special Tax” means the greatest amount of One-Time Facilities Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Sections C and D below.

“Maximum Special Taxes” means, collectively, the Maximum One-Time Facilities Special Tax and the Maximum Annual Maintenance Special Tax.

“One-Time Facilities Special Tax” means a Special Tax, levied and collected in full by the City prior to issuance of a Certificate of Occupancy on Taxable Property. Notwithstanding the foregoing, if the City determines that a building on a Parcel of Taxable Property has been occupied and no Certificate of Occupancy was issued for such building, the One-Time Facilities Special Tax for the Parcel shall be immediately due and payable.

“Other Property” means, in any Fiscal Year, all Parcels of Developed Property within the CFD that are not Single Family Property, as defined herein.

“Owners Association” means a homeowners association or property owners association that provides services to, and collects assessments, fees, dues, or charges from, property within the CFD.

“Owners Association Property” means any property within the boundaries of the CFD that is owned in fee or through easement by the Owners Association, not including any such property that is located directly under a residential structure.

“Proportionately” means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all parcels assigned to the Development Class.

“Public Property” means, in any Fiscal Year: (i) all Parcels within the boundaries of the CFD that are owned by or irrevocably offered for dedication to the federal government, the State of California, the City or any other public agency; provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act (as such section may be amended or replaced) shall be taxed and classified in accordance with its use; or (ii) all Parcels within the boundaries of the CFD that are encumbered by an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“Residential Unit” means an SFD Unit, or an individual attached residential unit within a duplex, triplex, fourplex, townhome, or condominium structure. An Accessory Dwelling Unit that shares a Parcel with an SFD Unit shall not be considered a separate Residential Unit for purposes of this RMA.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Unit” means a residential dwelling unit that does not share a common wall with another residential dwelling unit.

“Single Family Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a Building Permit was issued for: (i) construction of an SFD Unit, or (ii) construction of a residential structure consisting of two or more Residential Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share an Assessor’s Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Residential Units are purchased and subsequently offered for rent by the owners of the Residential Units), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Special Taxes” means, collectively, the One-Time Facilities Special Tax and the Annual Maintenance Special Tax.

“Special Tax Category” means one of the categories of land uses for which a Special Tax amount is set forth in Table 1 of Section C below.

“Taxable Owners Association Property” means, in any Fiscal Year, any Parcel of Owners Association Property that satisfies both of the following conditions: (i) based on reference to the Tentative Map, the Parcel was not anticipated to be Owners Association Property, as determined by the Administrator; and (ii) if the Parcel were to be exempt from the Annual Maintenance Special Tax because it is Owners Association Property, the City has determined that there would be a reduction in Annual Maintenance Special Tax revenues that would create a deficit in funding for Authorized Services.

“Taxable Property” means all of the Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section G below.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property that satisfies both of the following conditions: (i) based on reference to the Tentative Map, the Parcel was not anticipated to be Public Property, as determined by the Administrator; and (ii) if the Parcel were to be exempt from the Annual Maintenance Special Tax because it is Public Property, the City has determined that there would be a reduction in Annual Maintenance Special Tax revenues that would create a deficit in funding for Authorized Services.

“Tentative Map” means the Woodglen Tentative Subdivision Map approved by the City Council pursuant to Resolution 2013-261, including any adjustments or amendments thereto.

“**Undeveloped Property**” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property, Taxable Owners Association Property, or Taxable Public Property, as defined herein.

“**Welfare Exemption Property**” means, in any Fiscal Year, any Parcels in the CFD that have received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code and for which such welfare exemption is still in place.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAXES

Each Fiscal Year, the Administrator shall: (i) assign each Parcel of Taxable Property to the appropriate Development Class; (ii) for Developed Property, categorize each Parcel as Single Family Property or Other Property; (iii) for Other Property, determine the Acreage of each Parcel; and (iv) determine the Annual Maintenance Special Tax Requirement for the Fiscal Year.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels is in a different Development Class than other Parcels created by the subdivision, the Administrator shall calculate the Annual Maintenance Special Taxes for the property affected by recordation of the parcel map by determining the Special Taxes that apply separately to the property within each Development Class, then applying the sum of the individual Annual Maintenance Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAXES

1. Developed Property

The Maximum Special Taxes for a Parcel of Developed Property can be determined by reference to Table 1 below.

**Table 1
Maximum Special Taxes
Developed Property**

Special Tax Category	Maximum Annual Maintenance Special Tax Fiscal Year 2021-22 *	Maximum One-Time Special Tax Fiscal Year 2021-22 *
Single Family Property	\$898 per Residential Unit	\$990 per Residential Unit
Other Property	\$9,714 per Acre	\$10,709 per Acre

* Special Taxes shown in Table 1 are subject to the annual adjustments described in Section D below.

2. *Taxable Owners Association Property and Taxable Public Property*

The Maximum Annual Maintenance Special Tax for Taxable Owners Association Property and Taxable Public Property is \$9,714 per Acre for Fiscal Year 2021-22, which amount shall increase on July 1, 2022, and each July 1 thereafter by the Escalation Factor. No One-Time Facilities Special Tax shall be levied on Taxable Owners Association Property or Taxable Public Property.

3. *Undeveloped Property*

No Special Taxes shall be levied in any Fiscal Year on Parcels of Undeveloped Property.

D. CHANGES TO THE MAXIMUM SPECIAL TAXES

1. *Escalation of Special Taxes*

1a. One-Time Facilities Special Tax

Beginning July 1, 2022 and each July 1 thereafter, the Maximum One-Time Facilities Special Taxes identified in Table 1 above shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%).

1b. Annual Maintenance Special Tax

Beginning July 1, 2022 and each July 1 thereafter, the Maximum Annual Maintenance Special Taxes identified in Table 1, and the Maximum Annual Maintenance Special Tax assigned to each Parcel in the CFD, shall be adjusted by the greater of (i) the percentage increase, if any, in the construction cost index for the San Francisco region for the prior twelve (12) month period as published in the Engineering News Record or other comparable source if the Engineering News Record is discontinued or otherwise not available, or (ii) four percent (4.0%).

2. *Conversion of a Parcel of Public Property to Private Use*

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, the Parcel shall be subject to the levy of Special Taxes. The Administrator shall determine the applicable Maximum Special Taxes for each such Parcel.

2. *Expiration or Cancellation of Welfare Exemptions*

If, in any Fiscal Year, a Parcel that had in prior Fiscal Years been categorized as Welfare Exemption Property no longer has a welfare exemption in place, the Parcel shall be subject to the levy of Special Taxes. The Administrator shall determine the applicable Maximum Special Taxes for each such Parcel.

E. METHOD OF LEVY OF SPECIAL TAXES

1. One-Time Facilities Special Tax

The Maximum One-Time Facilities Special Tax determined pursuant to Sections C and D above shall be levied on all Taxable Property in the CFD and shall be collected as set forth in Section F below.

2. Annual Maintenance Special Tax

Each Fiscal Year, the Administrator shall determine the Annual Maintenance Special Tax Requirement to be collected in that Fiscal Year. The Annual Maintenance Special Tax shall then be levied according to the following steps:

- Step 1:** The Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Developed Property until the amount levied is equal to the Annual Maintenance Special Tax Requirement.
- Step 2:** If additional revenue is needed after Step 1, the Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Taxable Owners Association Property, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Taxable Owners Association Property until the amount levied is equal to the Annual Maintenance Special Tax Requirement.
- Step 3:** If additional revenue is needed after Step 2, the Annual Maintenance Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Annual Maintenance Special Tax for each Parcel of Taxable Public Property until the amount levied is equal to the Annual Maintenance Special Tax Requirement.

F. MANNER OF COLLECTION OF SPECIAL TAXES

The Maximum One-Time Facilities Special Tax shall be collected prior to issuance of a Certificate of Occupancy for any residential or non-residential structure within the CFD and shall be immediately delinquent if not so paid. Notwithstanding the foregoing, if the City determines that a building on a Parcel of Taxable Property has been occupied and no Certificate of Occupancy was issued for such building, the One-Time Facilities Special Tax for the Parcel shall be immediately due and payable to the City.

The Annual Maintenance Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Annual Maintenance Special Taxes through foreclosure or other available methods. The Annual Maintenance Special Tax shall be levied and collected unless and until the City determines that the Annual

Maintenance Special Tax no longer needs to be levied to pay Authorized Services and all Administrative Expenses have been reimbursed.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Taxes shall be levied in any Fiscal Year on the following:

- (1) Public Property, except Taxable Public Property.
- (2) Owners Association Property, except Taxable Owners Association Property.
- (3) Welfare Exemption Property
- (4) Parcels owned by a public utility for an unmanned facility.
- (5) Parcels subject to an easement that precludes any other use on the Parcel.

H. INTERPRETATION OF SPECIAL TAX FORMULA

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

City of Modesto
Community Facilities District No. 2021-1
(Woodglen)

DESCRIPTION OF AUTHORIZED FACILITIES AND SERVICES

The types of Facilities and Services proposed to be financed by Community Facilities District No. 2021-1 (CFD) are as follows:

Authorized Facilities

The CFD shall be authorized to finance all or any part of the costs of acquisition, construction, and improvement of the following facilities (the “Facilities”):

- Roundabout at the intersection of Bangs Avenue and Carver Road
- Traffic signal, left-turn pockets, and other intersection improvements

The Facilities shall include all hard and soft costs associated with the improvements, including the costs of acquisition of land and rights-of-way, the costs of design, engineering and planning, the costs of environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check, and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing. The CFD may also fund, and the special taxes may also be used to directly pay for, the purchase, construction, expansion, improvement or rehabilitation of any of the Facilities, and to reimburse the City or any third parties for advances made to purchase, construct, expand, improve or rehabilitate any of the Facilities.

Authorized Services

The services to be funded in whole or in part by the CFD include all direct and incidental costs related to providing the maintenance of public infrastructure within the area of the CFD, the future annexation area, and areas adjacent to or in the vicinity of such areas. More specifically, the services shall include, but not be limited to: maintenance, repair and replacement of parkways, tree pruning, landscaped medians, masonry walls, neighborhood pocket park, storm drainage basin facilities, including but not limited to, catch basins, manholes, underground infiltration trenches and pipes, landscaped bio-swale lots and medians, storm water treatment devices and filters, shrubs, vines, ground cover, and irrigation systems.

The services to be provided include, but are not limited to, litter and debris removal, pruning, staking, fertilizing, plant replacement and restoration, fire and weed control, erosion control, trimming of vegetation, and storm drain system maintenance. Authorized services shall also include the following: (i) related reserves for the replacement of plants and materials,

replacement of storm water treatment filters and other storm drainage facilities, and (ii) a sinking fund for services that could not otherwise be funded in a given fiscal year.

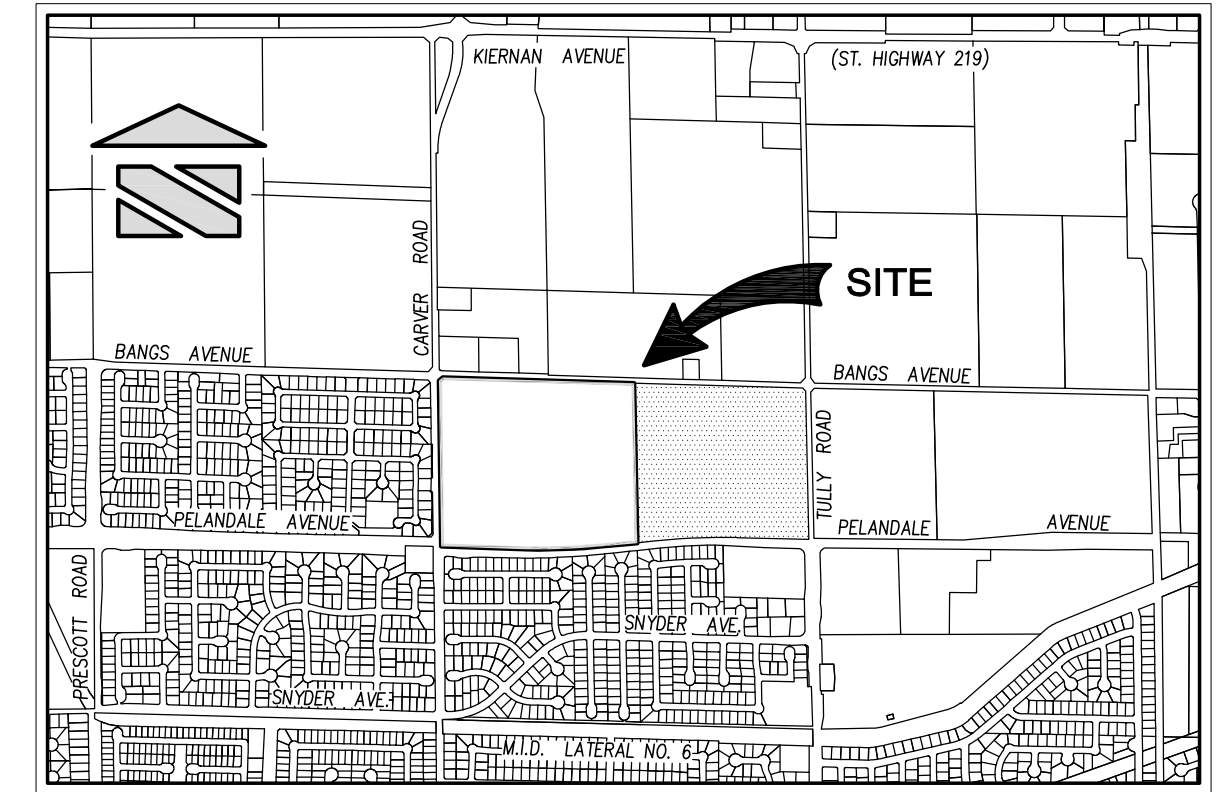
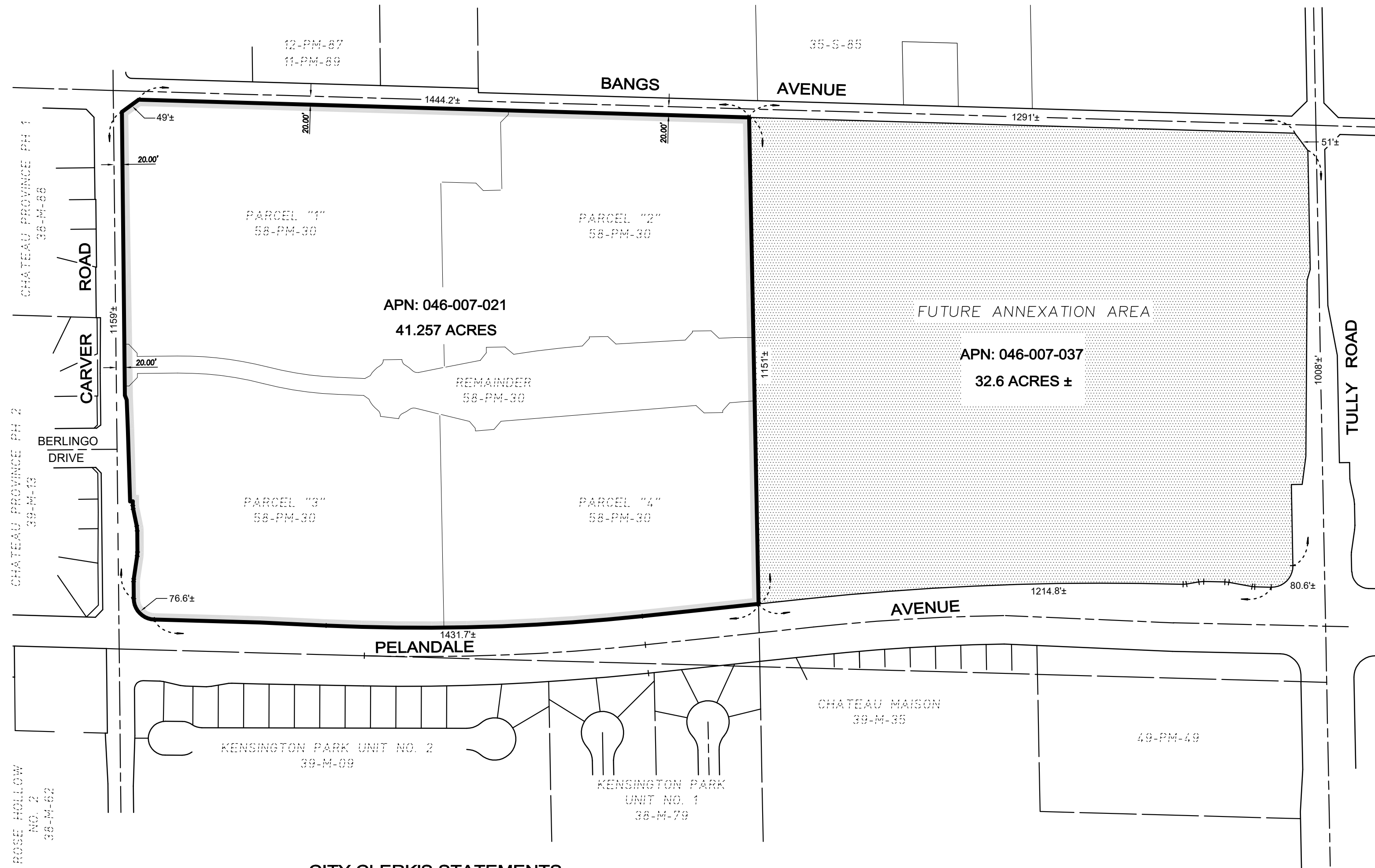
The services to be financed by the CFD are in addition to those provided in the territory of the CFD before the date of creation of the CFD and will not supplant services already available within that territory when the CFD was created.

Administrative Expenses

The administrative expenses to be funded by the CFD include the direct and indirect expenses incurred by the City in carrying out its duties with respect to the CFD including, but not limited to, the levy and collection of special taxes, fees and expenses of attorneys, any fees of the County of Stanislaus related to the CFD or the collection of special taxes, an allocable share of the salaries of the City staff related thereto, and expenses incurred by the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the CFD.



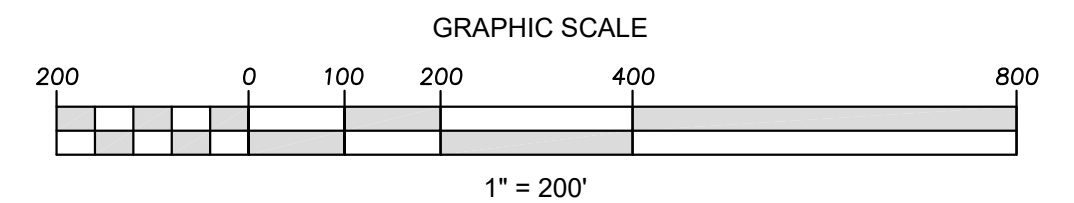
4206 TECHNOLOGY DRIVE, SUITE 4, MODESTO, CA 95356
 PHONE: (209) 545-3390 FAX: (209) 545-3875 www.assoceng.com



VICINITY MAP
NO SCALE

LEGEND:

- PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2021-1
- FUTURE ANNEXATION AREA



CITY CLERK'S STATEMENTS

I HEREBY CERTIFY THAT THIS MAP SHOWING THE PROPOSED BOUNDARIES OF CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO. 2021-1 (WOODGLEN), CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MODESTO AT A REGULAR MEETING THEREOF, HELD ON

THE ____ DAY OF _____, 2021, BY ITS RESOLUTION NO. 2021-_____

STEPHANIE LOPEZ, CITY CLERK

BY: _____
PRINT NAME

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MODESTO SHOWING THIS ____ DAY OF _____, 2021.

STEPHANIE LOPEZ, CITY CLERK

BY: _____
PRINT NAME

**PROPOSED BOUNDARIES OF
CITY OF MODESTO COMMUNITY FACILITIES DISTRICT NO.2021-1
(WOODGLEN)
CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA**

COUNTY RECORDER'S STATEMENT

FILED THIS ____ DAY OF _____, 2021, AT THE HOUR OF ____ O'CLOCK ____ M.
 IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____
 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA.

DONNA LINDER, COUNTY RECORDER OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

BY: _____
PRINT NAME