EXHIBIT A

DESCRIPTION OF PROPOSED TERRITORY TO BE ANNEXED

The City of Lake Elsinore Community Facilities District No. 2015-2 (Maintenance Services) (the "CFD No. 2015-2") Annexation No. 8 is currently comprised of five parcels, located within the city boundaries. The properties are identified by the following Riverside County Assessor's Parcel Numbers (APNs).

TAX ZONE 9

APN	Owner Name		
389-200-038 (Por.)	Nichols Rd Partners		
389-210-008 (Por.)	Nichols Rd Partners		
389-210-032	Nichols Rd Partners		
389-210-034	Nichols Rd Partners		
389-210-036 (Por.)	Nichols Rd Partners		

TAX ZONE 10

APN	Owner Name
389-200-038 (Por.)	Nichols Rd Partners
389-210-008 (Por.)	Nichols Rd Partners
389-210-036 (Por.)	Nichols Rd Partners

EXHIBIT B DESCRIPTION OF AUTHORIZED SERVICES

CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) DESCRIPTION OF AUTHORIZED SERVICES

The services which may be funded with proceeds of the special tax of CFD No. 2015-2, as provided by Section 53313 of the Act, will include all costs attributable to maintaining, servicing, cleaning, repairing and/or replacing landscaped areas (may include reserves for replacement) in public street right-of-ways, public landscaping, public open spaces and other similar landscaped areas officially dedicated for public use. These services including the following:

- (a) maintenance and lighting of parks, parkways, streets, roads and open space, which maintenance and lighting services may include, without limitation, furnishing of electrical power to street lights; repair and replacement of damaged or inoperative light bulbs, fixtures and standards; maintenance (including irrigation and replacement) of landscaping vegetation situated on or adjacent to parks, parkways, streets, roads and open space; maintenance and repair of irrigation facilities; maintenance of public signage; graffiti removal from and maintenance and repair of public structures situated on parks, parkways, streets, roads and open space; maintenance and repair of playground or recreation program equipment or facilities situated on any park; and
- (b) maintenance and operation of water quality improvements which include storm drainage and flood protection facilities, including, without limitation, drainage inlets, catch basin inserts, infiltration basins, flood control channels, fossil fuel filters, and similar facilities. Maintenance services may include but is not limited to the repair, removal or replacement of all or part of any of the water quality improvements, fossil fuel filters within the public right-of-way including the removal of petroleum hydrocarbons and other pollutants from water runoff, or appurtenant facilities, clearing of inlets and outlets; erosion repairs; and cleanup to improvements, and other items necessary for the maintenance, servicing; or both of the water quality basin improvements within flood control channel improvements; and
- (c) public street sweeping, on the segments of the arterials within the boundaries of CFD No. 2015-2; as well as local roads within residential subdivisions located within CFD No. 2015-2; and any portions adjacent to the properties within CFD No. 2015-2; and

In addition to payment of the cost and expense of the forgoing services, proceeds of the special tax may be expended to pay "Administrative Expenses," as said term is defined in the Rate and Method of Apportionment.

The above services shall be limited to those provided within the boundaries of CFD No. 2015-2 or for the benefit of the properties within the boundaries of CFD No. 2015-2, as the boundary is expanded from time to time by anticipated annexations, and said services may be financed by proceeds of the special tax of CFD No. 2015-2 only to the extent that they are in addition to those provided in the territory of CFD No. 2015-2 before CFD No. 2015-2 was created.

EXHIBIT C RATE AND METHOD OF APPORTIONMENT

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) OF THE CITY OF LAKE ELSINORE

A Special Tax (the "Special Tax") shall be levied on and collected from each Assessor's Parcel (defined below) in Community Facilities District No. 2015-2 (Maintenance Services) (the "CFD No. 2015-2" or "CFD"; defined below), in each Fiscal Year, (defined below), commencing in the Fiscal Year beginning July 1, 2015, in an amount determined by the City Council of the City of Lake Elsinore, acting ex officio as the legislative body of CFD No. 2015-2, by applying the rate and method of apportionment set forth below. All of the real property in CFD No. 2015-2, unless exempted by law or by the provisions herein, shall be taxed to the extent and in the manner provided herein.

A. DEFINITIONS

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on any Assessor's Parcel Map, or if the land area is not shown on the Assessor's Parcel Map, the land area as shown on the applicable Final Map, or if the area is not shown on the applicable Final Map, the land area shall be calculated by the Administrator.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the formation, annexation, and administration of CFD No. 2015-2 including, but not limited to: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs to the City, CFD No. 2015-2, or any designee thereof associated with fulfilling the CFD No. 2015-2 disclosure requirements; the costs associated with responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 2015-2 or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees including payment of a proportional share of salaries and benefits of any City employees and City overhead whose duties are related to the administration and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2015-2 for any other administrative purposes of CFD No. 2015-2, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Administrator" means the City Manager of the City of Lake Elsinore, or his or her designee.

"Approved Property" means all Assessor's Parcels of Taxable Property that are included in a Final Map that was recorded prior to the March 1 preceding the Fiscal Year in which the Special Tax is being levied, and that have not been issued a building permit on or prior to the March 1 preceding the Fiscal year in which the special tax is being levied.

"Assessor's Parcel" means a lot or parcel of land that is identifiable by an Assessor's Parcel Number by the County Assessor of the County of Riverside.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that identification number assigned to a parcel by the County Assessor of the County.

"Building Square Footage" or "BSF" means the floor area square footage reflected on the original construction building permit issued for construction of a building of Non-Residential Property and any Building Square Footage subsequently added to a building of such Taxable Property after issuance of a building permit for expansion or renovation of such building.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD" or **"CFD No. 2015-2"** means the City of Lake Elsinore Community Facilities District No. 2015-2 (Maintenance Services).

"City" has the meaning set forth in the preamble.

"Contingent Special Tax B Requirement" means that amount required in any Fiscal Year, if the POA is unable to maintain the Service(s) to: (i) pay the costs of Services incurred or otherwise payable in the Calendar Year commencing in such Fiscal Year; (ii) fund an operating reserve for the costs of Services as determined by the Administrator; less a credit for funds available to reduce the annual Special Tax B (Contingent) levy as determined by the Administrator.

"County" means the County of Riverside.

"Developed Property" means all Assessor's Parcels of Taxable Property for which a building permit for new construction has been issued on or prior to March 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Exempt Property" means all Assessors' Parcels designated as being exempt from the Special Tax as provided for in Section G.

"Final Map" means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which building permits may be issued without further subdivision.

"Fiscal Year" means the period from and including July $\mathbf{1}^{st}$ of any year to and including the following June 30^{th} .

"Land Use Category" or **"LUC"** means any of the categories contained in Section B hereof to which an Assessor's Parcel is assigned consistent with the land use approvals that have been received or proposed for the Assessor's Parcel as of March 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Maximum Special Tax" means either Maximum Special Tax A and/or Maximum Special Tax B (Contingent), as applicable.

"Maximum Special Tax A" means the Maximum Special Tax A, as determined in accordance with Section C below that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property within CFD No. 2015-2.

"Maximum Special Tax B (Contingent)" means the Maximum Special Tax B (Contingent), as determined in accordance with Section C below that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property within CFD No. 2015-2.

"Multi-Family Residential Property" means any Assessor's Parcel of residential property that consists of a building or buildings comprised of attached Residential Units sharing at least one common wall with another unit.

"Non-Residential Property" or "NR" means all Assessor's Parcels of Taxable Property for which a building permit(s) was issued for a non-residential use. The Administrator shall make the determination if an Assessor's Parcel is Non-Residential Property.

"Property Owner's Association" or "POA" means the property owner's association or homeowner's association established to maintain certain landscaping within a Tax Zone.

"Proportionately" means for Taxable Property that is: (i) Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is the same for all Parcels of Developed Property with the same Tax Zone, (ii) Approved Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is the same for all Parcels of Approved Property with the same Tax Zone, and (iii) Undeveloped Property that the ratio of the actual Special Tax levy per acre to the Maximum Special Tax per acre is the same for all Parcels of Undeveloped Property with the same Tax Zone.

"Residential Unit" or "RU" means a residential unit that is used or intended to be used as a domicile by one or more persons, as determined by the Administrator.

"Residential Property" means all Assessor's Parcels of Taxable Property upon which completed Residential Units have been constructed or for which building permits have been or may be issued for purposes of constructing one or more Residential Units.

"Service(s)" means services permitted under the Mello-Roos Community Facilities Act of 1982 including, without limitation, those services authorized to be funded by CFD No. 2015-2 as set forth in the documents adopted by the City Council at the time the CFD was formed.

"Single Family Residential Property" means any residential property other than Multi-Family Residential Property on an Assessor's Parcel.

"Special Tax(es)" means the Special Tax A and/or Special Tax B (Contingent) to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property.

"Special Tax A" means the annual special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax A Requirement.

"Special Tax A Requirement" means for each Tax Zone, that amount to be collected in any Fiscal Year to pay for certain costs as required to meet the needs for such Tax Zone of CFD No. 2015-2 in both the current Fiscal Year and the next Fiscal Year. The costs to be covered shall be the direct costs for maintenance services including but not limited to (i) maintenance and lighting of parks, parkways, streets, roads and open space, (ii) maintenance and operation of water quality improvements, (iii) public street sweeping, (iv) fund an operating reserve for the costs of Services as determined by the Administrator, and (v) Administrative Expenses. Under no circumstances shall the Special Tax A Requirement include funds for Bonds.

3

"Special Tax B (Contingent)" means the Special Tax B (Contingent) to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Contingent Special Tax B Requirement, if required.

"Taxable Property" means all Assessor's Parcels within CFD No. 2015-2, which are not Exempt Property.

"Taxable Unit" means a Residential Unit, Building Square Footage, or an Acre.

"Tax Zone" means a mutually exclusive geographic area, within which particular Special Tax rates may be levied pursuant to this Rate and Method of Apportionment of Special Tax. Appendix C identifies the Tax Zone in CFD No. 2015-2 at formation; additional Tax Zones may be created when property is annexed into the CFD.

"Tax Zone 1" means the specific geographic area identified on the CFD Boundary Map as Tax Zone 1.

"Tract(s)" means an area of land within a subdivision identified by a particular tract number on a Final Map approved for the subdivision.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Approved Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

For each Fiscal Year, all Assessor's Parcels of Taxable Property within CFD No. 2015-2 shall be classified as Developed Property, Approved Property, or Undeveloped Property, and shall be subject to the levy of Special Taxes as determined pursuant to Sections C and D below. Assessor's Parcels of Developed Property and Approved Property shall be classified as either Residential Property or Non-Residential Property. Residential Property shall be further classified as Single Family Residential Property or Multi-Family Residential Property and the number of Residential Units shall be determined by the Administrator.

C. MAXIMUM SPECIAL TAX RATES

For purposes of determining the applicable Maximum Special Tax for Assessor's Parcels of Developed Property and Approved Property which are classified as Residential Property, all such Assessor's Parcels shall be assigned the number of Residential Unit(s) constructed or to be constructed thereon as specified in or shown on the building permit(s) issued or Final Map as determined by the Administrator. For Parcels of undeveloped property zoned for development of single family attached or multi-family units, the number of Residential Units shall be determined by referencing the condominium plan, apartment plan, site plan or other development plan, or by assigning the maximum allowable units permitted based on the underlying zoning for the Parcel. Once a single family attached or multi-family building or buildings have been built on an Assessor's Parcel, the Administrator shall determine the actual number of Residential Units contained within the building or buildings, and the Special Tax A levied against the Parcel in the next Fiscal Year shall be calculated by multiplying the actual number of Residential Units by the Maximum Special Tax per Residential Unit identified for the Tract below or as included in Appendix A as each Annexation occurs.

For purposes of determining the applicable Maximum Special Tax for Assessor's Parcels of Developed Property and Approved Property which are classified as Non-Residential Property, all such Assessor's Parcels shall be assigned the number of Building Square Footage or Acres as shown on the Final Map as determined by the Administrator. Once the Administrator determines the actual number of Building Square Footage or Acres for the Assessor's Parcels, the Special Tax A levied against the Assessor's Parcel in the next Fiscal Year shall be calculated by multiplying the number of Building Square Footage or Acres by the Maximum Special Tax per Taxable Unit identified for the Tax Zone below or as included in Appendix A as each Annexation occurs.

1. Special Tax A

a. Developed Property

(i) Maximum Special Tax A

The Maximum Special Tax A for each Assessor's Parcel of Developed Property shall be specific to each Tax Zone within the CFD. When additional property is annexed into CFD No. 2015-2, the rate and method adopted for the annexed property shall reflect the Maximum Special Tax A for the Tax Zones annexed and included in Appendix A. The Maximum Special Tax A for Developed Property for Fiscal Year 2015-2016 within Tax Zone 1 is identified in Table 1 below:

TABLE 1 MAXIMUM SPECIAL TAX A RATES DEVELOPED PROPERTY

Tax			Taxable	Maximum
Zone	Tract	Land Use Category	Unit	Special Tax A
1	LLA-2014-2743	Non-Residential Property	Acre	\$121

(ii) Increase in the Maximum Special Tax A

On each July 1, commencing on July 1, 2016 the Maximum Special Tax A for Developed Property shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by two percent (2.0%), whichever is greater.

(iii) Multiple Land Use Categories

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Category. The Maximum Special Tax A that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax A that can be levied for each Land Use Category located on that Assessor's Parcel. For an Assessor's Parcel that contains more than one land use, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The Administrator's allocation to each type of property shall be final.

b. Approved Property

The Maximum Special Tax A for each Assessor's Parcel of Approved Property shall be specific to each Tax Zone within the CFD. When additional property is annexed into CFD No. 2015-2, the rate and method adopted for the annexed property shall reflect the Maximum Special Tax A for the Tax Zone annexed and included in Appendix A. The Maximum Special Tax A for Approved property Fiscal Year 2015-2016 within Tax Zone 1 is identified in Table 2 below:

TABLE 2 MAXIMUM SPECIAL TAX A RATES APPROVED PROPERTY

Tax			Taxable	Maximum
Zone	Tract	Land Use Category	Unit	Special Tax A
1	LLA-2014-2743	Non-Residential Property	Acre	\$121

On each July 1, commencing on July 1, 2016 the Maximum Special Tax A for Approved Property shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by two percent (2.0%), whichever is greater.

c. <u>Undeveloped Property</u>

The Maximum Special Tax A for each Assessor's Parcel of Undeveloped Property shall be specific to each Tax Zone within the CFD. When additional property is annexed into CFD No. 2015-2, the rate and method adopted for the annexed property shall reflect the Maximum Special Tax A for the Tax Zone annexed and included in Appendix A. The Maximum Special Tax A for Undeveloped Property for Fiscal Year 2015-2016 within Tax Zone 1 is identified in Table 3 below:

TABLE 3
MAXIMUM SPECIAL TAX A RATES
UNDEVELOPED PROPERTY

Tax Zone	Tracts	Taxable Unit	Maximum Special Tax A	
1	LLA-2014-2743	Acre	\$121	

On each July 1, commencing on July 1, 2016 the Maximum Special Tax A for Undeveloped Property shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by two percent (2.0%), whichever is greater.

2. Special Tax B (Contingent)

(i) Maximum Special Tax B (Contingent)

The Maximum Special Tax B (Contingent) for each Assessor's Parcel of Taxable Property is shown in Table 1 and shall be specific to each Tax Zone within the CFD. When additional property is annexed into CFD No. 2015-2, the rate and method adopted for the annexed property shall reflect the Maximum Special Tax B (Contingent) for each Tax Zones annexed and included in Appendix A. The Maximum Special Tax B (Contingent) for Fiscal Year 2015-2016 within Tax Zone 1 is identified in Table 4 below:

TABLE 4 MAXIMUM SPECIAL TAX B (CONTINGENT) RATES DEVELOPED PROPERTY

Tax			Taxable	Maximum Special
Zone	Tract	Land Use Category	Unit	Tax B (Contingent)
1	LLA-2014-2743	Non-Residential Property	Acre	\$0

(ii) <u>Increase in the Maximum Special Tax B (Contingent)</u>

On each July 1, commencing on July 1, 2016 the Maximum Special Tax B (Contingent) for Developed Property shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by two percent (2.0%), whichever is greater.

(iii) Multiple Land Use Categories

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Category. The Maximum Special Tax B (Contingent) that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax B (Contingent) that can be levied for each Land Use Category located on that Assessor's Parcel. For an Assessor's Parcel that contains more than one land use, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The Administrator's allocation to each type of property shall be final.

b. Approved Property

The Maximum Special Tax B (Contingent) for each Assessor's Parcel of Taxable Property is shown in Table 5 and shall be specific to each Tax Zone within the CFD. When additional property is annexed into CFD No. 2015-2, the rate and method adopted for the annexed property shall reflect the Maximum Special Tax B (Contingent) for the Tax Zone annexed and included in Appendix A. The Maximum Special Tax B (Contingent) for Fiscal Year 2015-2016 within the Tax Zone is identified in Table 5 below:

TABLE 5
MAXIMUM SPECIAL TAX B (CONTINGENT) RATES
APPROVED PROPERTY

Tax			Taxable	Maximum Special
Zone	Tract	Land Use Category	Unit	Tax B (Contingent)
1	LLA-2014-2743	Non-Residential Property	Acre	\$0

On each July 1, commencing on July 1, 2016 the Maximum Special Tax B (Contingent) for Approved Property shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by two percent (2.0%), whichever is greater.

c. Undeveloped Property

The Maximum Special Tax B (Contingent) for each Assessor's Parcel of Taxable Property is shown in Table 6 and shall be specific to each Tax Zone within the CFD. When additional property is annexed into CFD No. 2015-2, the rate and method adopted for the annexed property shall reflect the Maximum Special Tax B (Contingent) for the Tax Zone annexed and included in Appendix A. The Maximum Special Tax B (Contingent) for Fiscal Year 2015-2016 within the Tax Zone is identified in Table 6 below:

TABLE 6 MAXIMUM SPECIAL TAX B (CONTINGENT) RATES UNDEVELOPED PROPERTY

Tax Zone	Tax Zone		Maximum Special
	Tracts	Taxable Unit	Tax B (Contingent)
1	LLA-2014-2743	Acre	\$0

On each July 1, commencing on July 1, 2016 the Maximum Special Tax B (Contingent) for Undeveloped Property shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by two percent (2.0%), whichever is greater.

D. METHOD OF APPORTIONMENT OF ANNUAL SPECIAL TAX

1. Special Tax A

Commencing with Fiscal Year 2015-2016 and for each following Fiscal Year, the Council shall determine the Special Tax A Requirement and shall levy the Special Tax A on all Assessor's Parcels of Taxable Property until the aggregate amount of Special Tax A equals the Special Tax A Requirement for each Tax Zone. The Special Tax A shall be levied for each Fiscal Year as follows:

<u>First</u>: The Special Tax A shall be levied Proportionately on all Assessor's Parcels of Developed Property within each Tax Zone up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax A Requirement for such Tax Zone;

<u>Second</u>: If additional moneys are needed to satisfy the Special Tax A Requirement for a Tax Zone after the first step has been completed, the Special Tax A shall be levied Proportionately on each Parcel of Approved Property within such Tax Zone up to 100% of the Maximum Special Tax A for Approved Property;

<u>Third</u>: If additional monies are needed to satisfy the Special Tax A Requirement for a Tax Zone after the first two steps has been completed, the Special Tax A shall be levied Proportionately on all Assessor's Parcels of Undeveloped Property within such Tax Zone up to 100% of the Maximum Special Tax A for Undeveloped Property.

2. Special Tax B (Contingent)

Commencing with Fiscal Year 2015-2016 and for each following Fiscal Year, the Council shall determine the Contingent Special Tax B Requirement and shall levy the Special Tax on all Assessor's Parcels of Taxable Property until the aggregate amount of Special Tax B (Contingent) equals the Contingent Special Tax B Requirement. The Special Tax B (Contingent) shall be levied for each Fiscal Year as follows:

<u>First</u>: The Special Tax shall be levied Proportionately on all Assessor's Parcels of Developed Property for a Tax Zone up to 100% of the applicable Maximum Special Tax B (Contingent) to satisfy the Contingent Special Tax B Requirement;

<u>Second</u>: If additional moneys are needed to satisfy the Contingent Special Tax B Requirement after the first step has been completed, the Special Tax B (Contingent) shall be levied Proportionately on each Parcel of Approved Property within such Tax Zone up to 100% of the Maximum Special Tax B (Contingent) for Approved Property;

<u>Third</u>: If additional monies are needed to satisfy the Contingent Special Tax B Requirement after the first two steps has been completed, the Special Tax B (Contingent) shall be levied Proportionately on all Assessor's Parcels of Undeveloped Property within such Tax Zone up to 100% of the Maximum Special Tax B (Contingent) for Undeveloped Property.

E. FUTURE ANNEXATIONS

It is anticipated that additional properties will be annexed to CFD No. 2015-2 from time to time. As each annexation is proposed, an analysis will be prepared to determine the annual cost for providing Services. Based on this analysis, the property to be annexed, pursuant to California Government Code section 53339 et seq. will be assigned to the appropriate Maximum Special Tax rate for the Tax Zone when annexed and included in Appendix A.

F. TERM OF SPECIAL TAX

For each Fiscal Year, the Special Taxes shall be levied as long as the Services are being provided.

G. EXEMPTIONS

The City shall classify as Exempt Property within CFD No. 2015-2, any Assessor's Parcel in any of the following categories; (i) Assessor's Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by any public entity; (ii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; (iii) Assessor's Parcels which are privately owned but are encumbered by or restricted solely for public uses; or (iv) any Assessor's Parcel which is in use in the performance of a public function as determined by the Administrator.

H. APPEALS

Any property owner claiming that the amount or application of the Special Taxes are not correct may file a written notice of appeal with the City not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2015-2 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made, but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

I. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 2015-2 may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

APPENDIX A

CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) COST ESTIMATE

Special Tax A Services - The estimate breaks down the costs of providing one year's maintenance services for Fiscal Year 2019-20. These services are being funded by the levy of Special Tax A for Community Facilities District No. 2015-2.

TAX ZONE 9 TRACT NO. 37305

Item	Description	Estimated Cost
1	Landscaping	\$21,452
2	Streetlights	\$5,299
3	Streets	\$25,639
4	Drainage	\$25,979
5	Parks	\$30,543
6	Graffiti	\$628
7	Reserves	\$5,490
8	Admin	\$10,954
Total		\$125,984

TAX ZONE 10 TRACT NO. 37305, LOT 169

Item	Description	Estimated Cost
1	Landscaping	\$6,635
2	Streetlights	\$8,096
3	Streets	\$7,100
4	Drainage	\$6,000
5	Reserves	\$2,113
6	Admin	\$2,783
Total		\$32,727

Special Tax B Contingent Services - The estimate breaks down the costs of providing one year's maintenance services for Fiscal Year 2019-20. These services are being funded by the levy of Special Tax B (Contingent) for Tax Zone 9 of Community Facilities District No. 2015-2. There is no Special Tax B for Tax Zone 10.

TAX ZONE 9 TRACT NO. 37305

Item	Description	Estimated Cost
1	Drainage	\$53,716
2	Reserves	\$5,372
3	Admin	\$5,372
Total		\$64,460

MAXIMUM SPECIAL TAXES ASSIGNED TO EACH TAX ZONE

Tax Zone	Fiscal Year Included	Tract/ APN	No. of Taxable Units	Land Use Category	Taxable Unit	Maximum Special Tax A	Maximum Special Tax B (Contingent)	Subdivider
9	2019-20	TR 37305	168	Residential	RU	\$750	\$384	Nichols Rd Partners
10	2019-20	TR 37305; Lot 169	12.00	Non- Residential	Acre	\$1,440	\$0	Nichols Rd Partners

APPROVED AND UNDEVELOPED PROPERTY

The Maximum Special Tax for Tax Zone 9 for Approved Property and Undeveloped Property for Fiscal Year 2019-20 is \$5,540 per acre.

The Maximum Special Tax for Tax Zone 10 for Approved Property and Undeveloped Property for Fiscal Year 2019-20 is \$1,440 per acre.

TAX ZONE SUMMARY

Annexation	Tax Zone	Tract APN	Fiscal Year	Maximum Special Tax A	Maximum Special Tax B	Subdivider
Original	1	LLA-2014-2743	2015-16	\$121 / Acre	\$0 / Acre	Tractor Supply
1	2	36682	2016-17	\$354 / RU	\$102 / RU	Pardee Homes
2	3	PM 29996	2017-18	\$951 / Acre	\$165 / Acre	Pasadena Industrial Park, LLC
3	4	PM 36551	2017-18	\$2,671 / Acre	\$201 / Acre	ARI Chaney Street, LLC
4	5	TR 32996	2017-18	\$378 / RU	\$321 / RU	LE Cottage Lane, LLC
5	6	365-030-001	2018-19	\$1,004/ Acre	\$0 / Acre	Lake Elsinore CCR, LLC
6	7	TR 33267	2019-20	\$350 / RU	\$56 / RU	Pardee Homes
7	8	PM 37284	2019-20	\$1,953 / Acre	\$0 / Acre	Central Plaza
8	9	TR 37305	2019-20	\$750 / RU	\$384 / RU	Nichols Rd Partners, LLC
8	10	TR 37305; Lot 169	2019-20	\$1,440 / Acre	\$0 / Acre	Nichols Rd Partners, LLC

ESCALATION OF MAXIMUM SPECIAL TAXES

On each July 1, commencing on July 1, 2019 the Maximum Special Tax shall increase by i) the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, or ii) by two percent (2.0%), whichever is greater.

APPENDIX B

CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) DESCRIPTION OF AUTHORIZED SERVICES

The services which may be funded with proceeds of the special tax of CFD No. 2015-2, as provided by Section 53313 of the Act, will include all costs attributable to maintaining, servicing, cleaning, repairing and/or replacing landscaped areas (may include reserves for replacement) in public street right-of-ways, public landscaping, public open spaces and other similar landscaped areas officially dedicated for public use. These services including the following:

- (a) maintenance and lighting of parks, parkways, streets, roads and open space, which maintenance and lighting services may include, without limitation, furnishing of electrical power to street lights; repair and replacement of damaged or inoperative light bulbs, fixtures and standards; maintenance (including irrigation and replacement) of landscaping vegetation situated on or adjacent to parks, parkways, streets, roads and open space; maintenance and repair of irrigation facilities; maintenance of public signage; graffiti removal from and maintenance and repair of public structures situated on parks, parkways, streets, roads and open space; maintenance and repair of playground or recreation program equipment or facilities situated on any park; and
- (b) maintenance and operation of water quality improvements which include storm drainage and flood protection facilities, including, without limitation, drainage inlets, catch basin inserts, infiltration basins, flood control channels, fossil fuel filters, and similar facilities. Maintenance services may include but is not limited to the repair, removal or replacement of all or part of any of the water quality improvements, fossil fuel filters within the public right-of-way including the removal of petroleum hydrocarbons and other pollutants from water runoff, or appurtenant facilities, clearing of inlets and outlets; erosion repairs; and cleanup to improvements, and other items necessary for the maintenance, servicing; or both of the water quality basin improvements within flood control channel improvements; and
- (c) public street sweeping, on the segments of the arterials within the boundaries of CFD No. 2015-2; as well as local roads within residential subdivisions located within CFD No. 2015-2; and any portions adjacent to the properties within CFD No. 2015-2; and

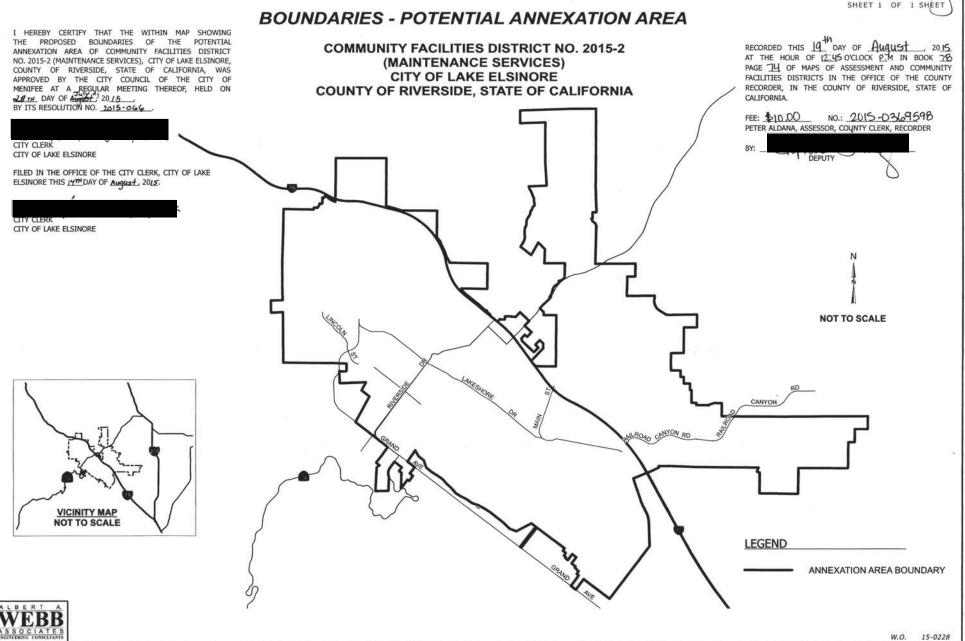
In addition to payment of the cost and expense of the forgoing services, proceeds of the special tax may be expended to pay "Administrative Expenses," as said term is defined in the Rate and Method of Apportionment.

The above services shall be limited to those provided within the boundaries of CFD No. 2015-2 or for the benefit of the properties within the boundaries of CFD No. 2015-2, as the boundary is expanded from time to time by anticipated annexations, and said services may be financed by proceeds of the special tax of CFD No. 2015-2 only to the extent that they are in addition to those provided in the territory of CFD No. 2015-2 before CFD No. 2015-2 was created.

EXHIBIT D

ANNEXATION AND POTENTIAL ANNEXATION BOUNDARY MAPS

SHEET 1 OF 1 SHEET



THIS MAP SHOWS THE BOUNDARIES OF AREAS TO BE ANNEXED TO COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES), OF THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

THE BOUNDARIES OF WHICH COMMUNITY FACILITIES DISTRICT ARE SHOWN AND DESCRIBED ON THE MAP THEREOF WHICH WAS PREVIOUSLY RECORDED ON AUGUST 13, 2015 IN BOOK 78 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AT PAGE 73 AND AS INSTRUMENT NO. 2015-0361493 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

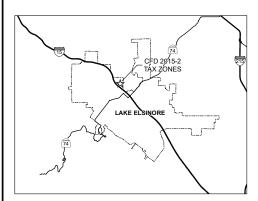
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES TO BE ANNEXED TO COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES), CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE AT A REGULAR MEETING THEREOF, HELD ON ______ DAY OF ______, 20_____, BY RESOLUTION NO.

DI RESOLUTION NO.

CITY CLERK
CITY OF LAKE ELSINORE

FILED IN THE OFFICE OF THE CITY CLERK, CITY OF LAKE ELSINORE THIS _____ DAY OF ____, 20__.

CITY CLERK
CITY OF LAKE ELSINORE

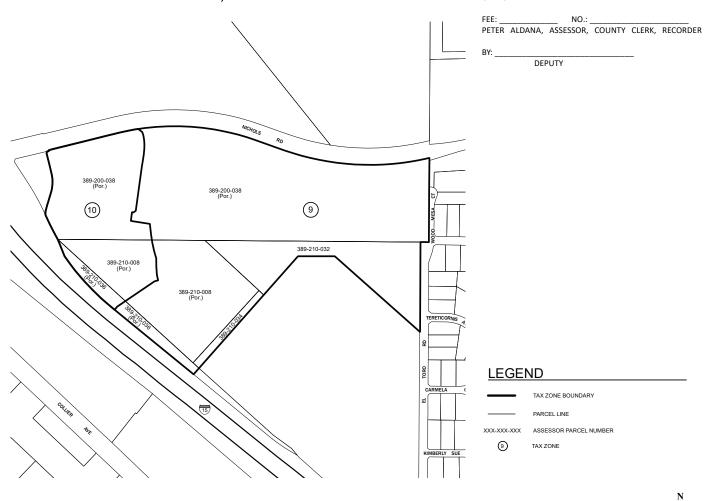




THIS ANNEXATION MAP CORRECTY SHOWS THE LOT OR PARCEL OF LAND INCLUDED WITHIN THE BOUNDAIRS OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCEL REFER TO THE COUNTY ASSESSOR MAPS FOR FISCAL YEAR 2019-20.

ANNEXATION MAP NO. 8

COMMUNITY FACILITIES DISTRICT NO. 2015-2
(MAINTENANCE SERVICES)
CITY OF LAKE ELSINORE,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



SHEET 1 OF 1 SHEET

RECORDED THIS _____ DAY OF _________, 20______ A
THE HOUR OF _____ O'CLOCK __M IN BOOK ____

PAGE OF MAPS OF ASSESSMENT AND COMMUNITY

FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY

RECORDER. IN THE COUNTY OF RIVERSIDE. STATE OF

CALIFORNIA.

EXHIBIT E

PETITION

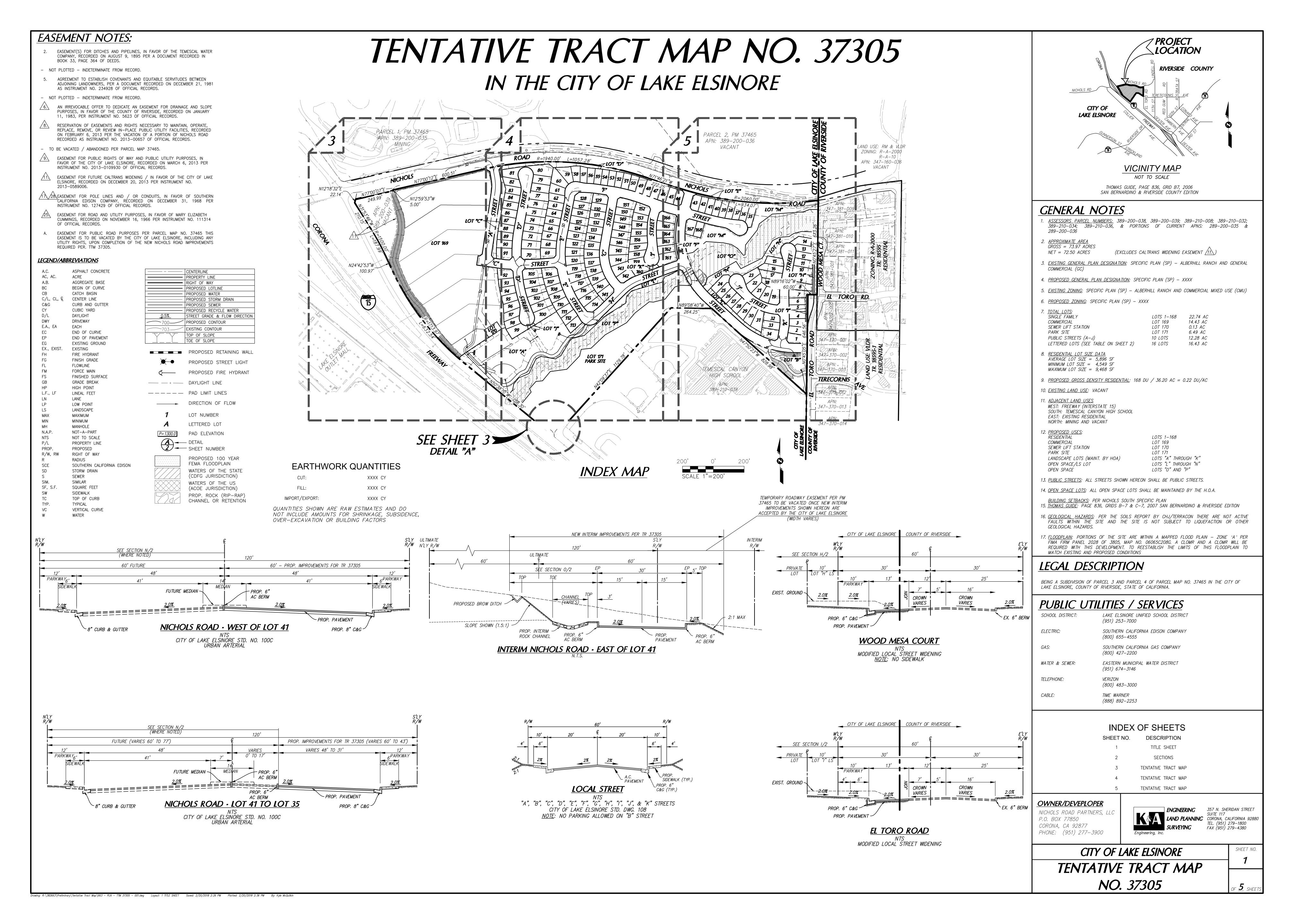
PETITION TO THE COUNCIL CITY OF THE CITY OF LAKE ELSINORE REQUESTING ANNEXING **TERRITORY** INTO COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) OF PROPERTY WITHIN THE CITY OF LAKE ELSINORE AND WAIVER Α WITH RESPECTS CERTAIN PROCEDURAL TO **MATTERS UNDER** THE **MELLO-ROOS** COMMUNITY FACILITIES **ACT** OF 1982 AND CONSENTING TO THE LEVY OF SPECIAL TAXES THEREON TO PAY THE COSTS OF SERVICES TO BE PROVIDED BY THE COMMUNITY **FACILITIES DISTRICT**

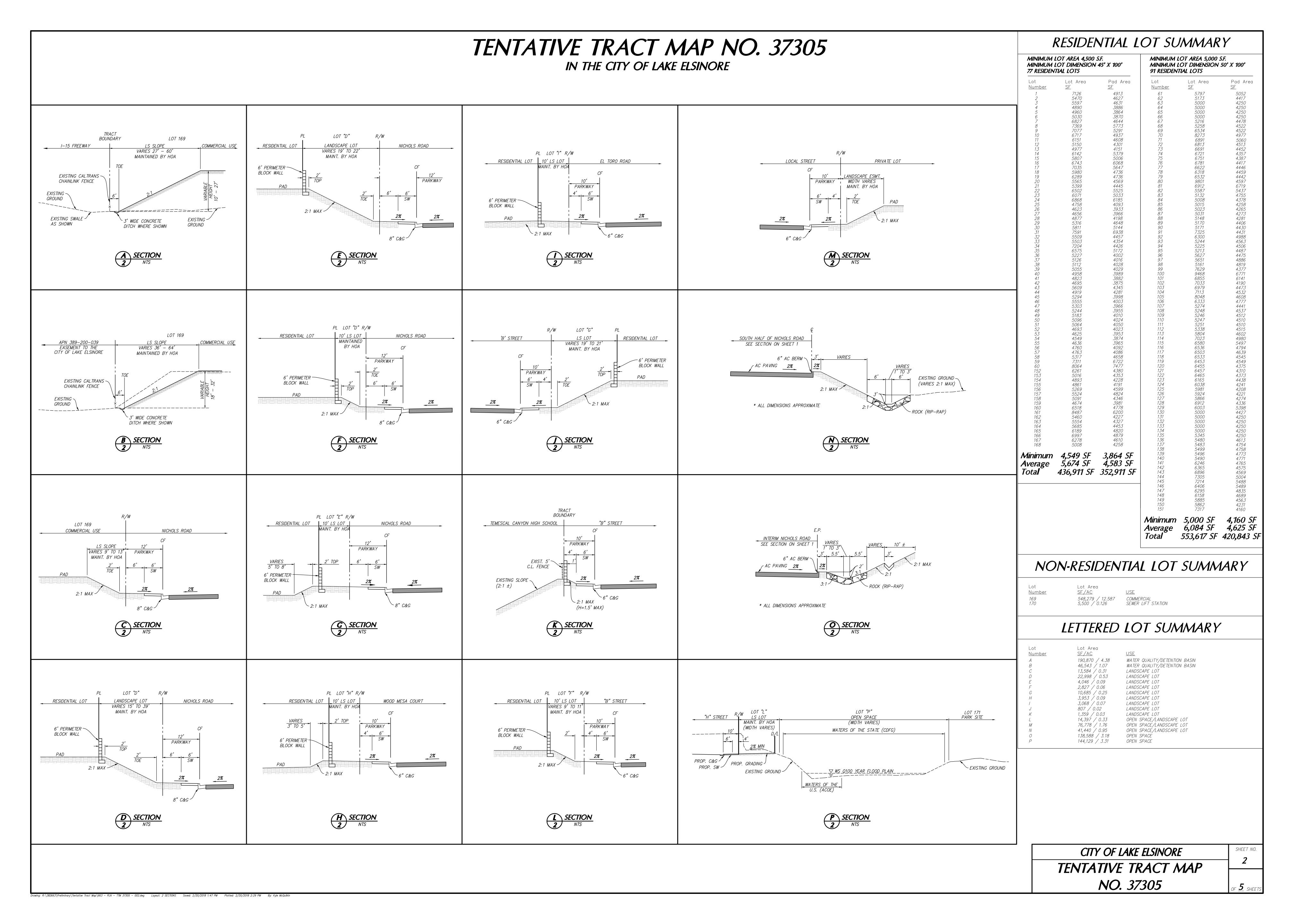
- 1. The undersigned requests that the City Council of the City of Lake Elsinore, initiate and conduct proceedings pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act") (Government Code Section 53311 et seq.), to annex territory into Community Facilities District No. 2015-2 (Maintenance Services) of the property described below and consents to the annual levy of special taxes on such property to pay the costs of services to be provided by the Community Facilities District.
- 2. The undersigned requests that the community facilities district provide any services that are permitted under the Act including, but not limited to, all necessary service, operations, administration and maintenance required to keep the landscape lighting, street lighting, flood control facilities, ground cover, shrubs, plants and trees, irrigation systems, graffiti removal, sidewalks and masonry walls, fencing entry monuments, tot lot equipment and associated appurtenant facilities within the district in a healthy, vigorous and satisfactory working condition.
- 3. The undersigned hereby certifies that as of the date indicated opposite its signature, it is the owner of all the property within the proposed boundaries of the Community Facilities District described in Exhibit A hereto and as shown on the map Exhibit B hereto.
- 4. The undersigned requests that a special election be held under the Act to authorize the special taxes for the proposed annexation into Community Facilities District No. 2015-2 The undersigned waives any requirement for the mailing of the ballot for the special election and expressly agrees that said election may be conducted by mailed or hand-delivered ballot to be returned as quickly as possible to the designated election official, being the office of the City Clerk and the undersigned request that the results of said election be canvassed and reported to the City Council at the same meeting of the City Council as the public hearing on annexing territory into Community Facilities District No. 2015-2 or at the next available meeting.
- 5. Pursuant to Sections 53326(a) and 53327(b) of the Act, the undersigned expressly waives all applicable waiting periods for the election and waives the requirement for analysis and arguments relating to the special election, and consents to not having such materials provided to the landowner in the ballot packet, and expressly waives any requirements as to the form of the ballot. The undersigned expressly waives all notice requirements relating to hearings and special elections (except for published notices required by the Act), and whether such requirements are found in the California Elections Code, the California Government Code or other laws or procedures, including but not limited to any notice provided for by compliance with the provisions of Section 4101 of the California Elections Code.
- 6. The undersigned hereby consents to and expressly waives any and all claims based on any irregularity, error, mistake or departure from the provisions of the Act or other laws of the State and any and all laws and requirements incorporated therein, and no step or action in any proceeding relative to annexing territory into Community Facilities District No. 2015-2 of the portion of the incorporated

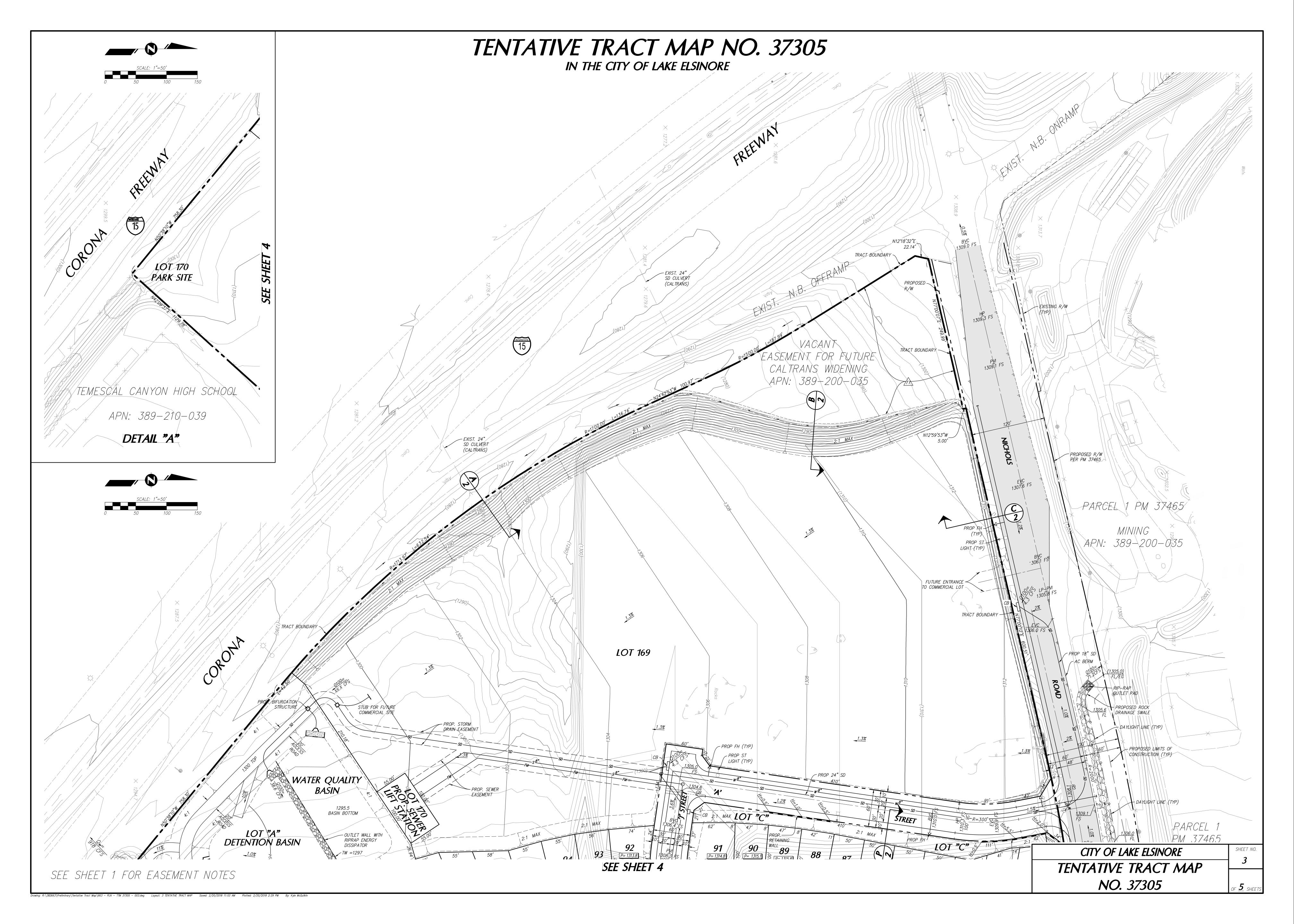
area of the City of Lake Elsinore or the special election therein shall be invalidated or affected by any such irregularity, error, mistake or departure.

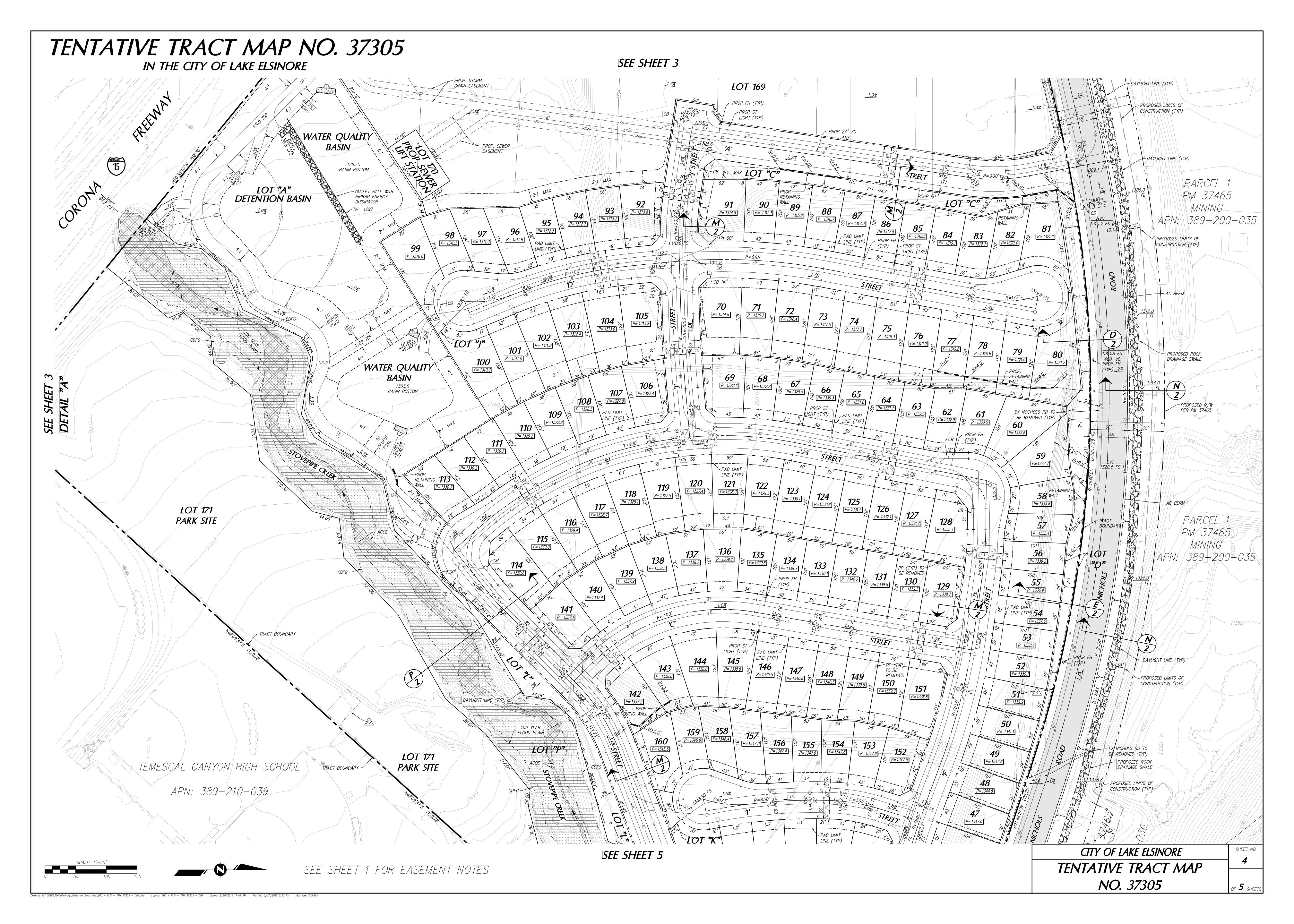
IN WITNESS WHEREOF, I hereunto set my hand this <u>15</u> day of <u>Accest</u>, 2018

2	NICHOLS RD. PARTNERS, LLC
	Ву:
	Name: Eric L. Werner
	Title: Manager
	OWNER'S PROPERTY:
	TRACT MAP OR PARCEL MAP NO. or PROJECT NO. <u>Tract Map No. 37305</u>
	OWNER'S MAILING ADDRESS:
	c/o Werner Corporation
	P.O. Box 77850
	Corona, CA 92877
FILED IN THE OFFICE OF THE CITY CLERK O ELSINORE THIS DAY OF, 20	
	City Clerk of the City Council of the City of Lake Elsinore









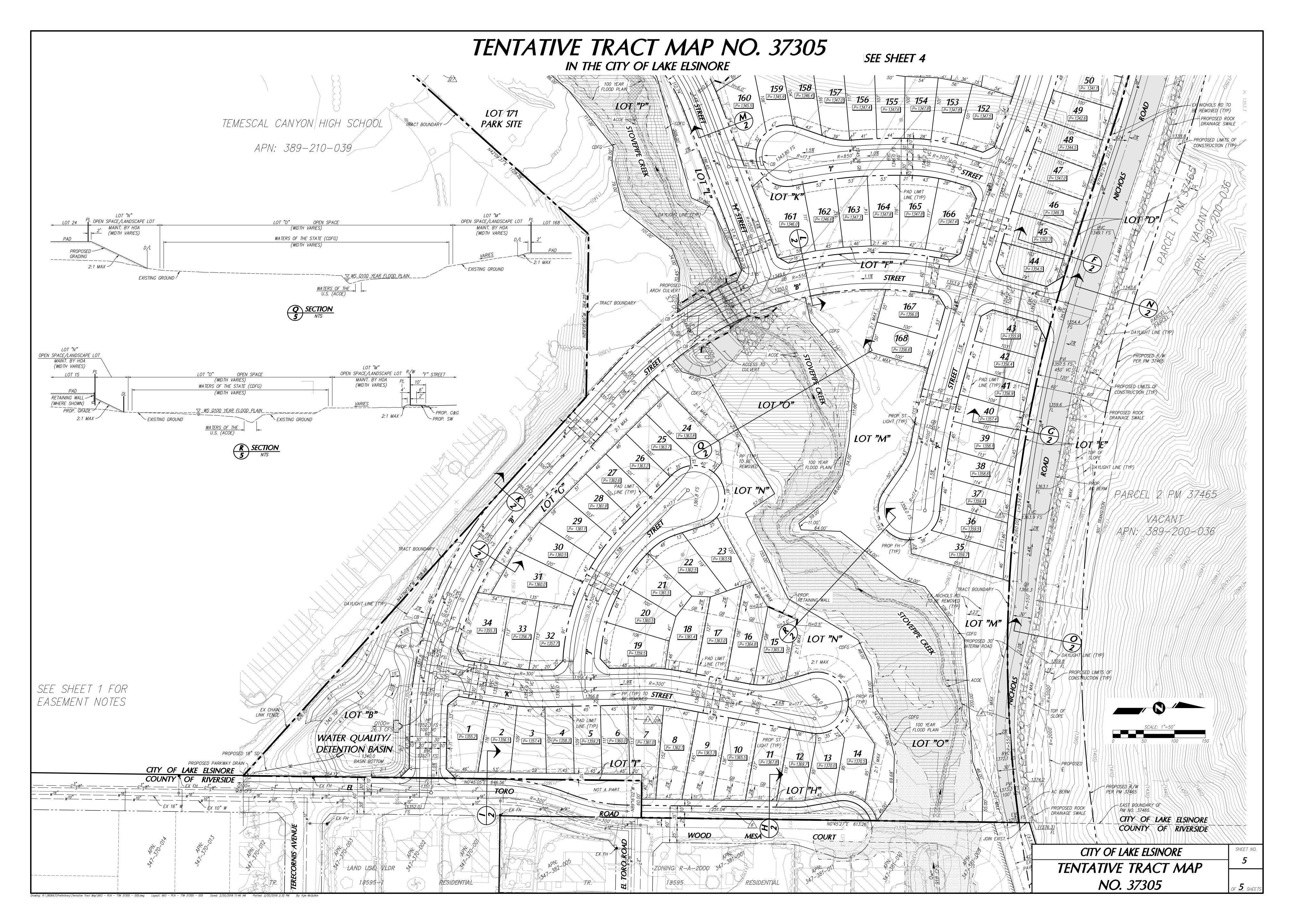


EXHIBIT F NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING ON INTENTION TO ANNEX TERRITORY TO AN EXISTING COMMUNITY FACILITIES DISTRICT 2015-2 (MAINTENANCE SERVICES) (ANNEXATION NO. 8)

NOTICE IS HEREBY GIVEN that the City Council of the City of Lake Elsinore on August 13, 2019 adopted
its Resolution No. 2019, in which it declared its intention to annex territory to existing Community
Facilities District No. 2015-2 (Maintenance Services) (the "CFD No. 2015-2"), and to levy a special tax to
pay for certain maintenance services, all pursuant to the provisions of the Mello-Roos Community Facilities
Act of 1982, Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code. The resolution
describes the territory to be annexed and describes the rate and method of apportionment of the proposed
special tax. No change in the tax levied in the existing CFD No. 2015-2 is proposed.
NOTICE IS HEREBY FURTHER GIVEN that the City Council has fixed 7:00 p.m., or as soon thereafter as
practicable, Tuesday, June 25, 2019 in the City Council Chambers located at 183 N Main St., Lake Elsinore,
California 92530, as the time and place when and where the City Council will conduct a public hearing on
the annexation of territory to CFD No. 2015-2. At the hearing, the testimony of all interest persons for or

against the annexation of the territory or the levying of the special taxes will be heard.		
DATED:, 20		
	City Clerk of the City of Lake Elsinore	

EXHIBIT G

BALLOT

SPECIAL TAX ELECTION CITY OF LAKE ELSINORE

ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) ANNEXATION NO. 8

(August 13, 2019)

This ballot is for the use of the authorized representative of the following owner of land within Annexation No. 8 of the Community Facilities District No. 2015-2 (Maintenance Services) ("CFD No. 2015-2") of the City of Lake Elsinore:

Name of Landowner	Number of Acres Owned	<u>Total Votes</u>
Nichols Rd Partners	70.15	71

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and resolutions of the City Council (the "Council") of the City of Lake Elsinore (the "City"), the above-named landowner is entitled to cast the number of votes shown above under the heading "Total Votes," representing the total votes for the property owned by said landowner. The City has sent the enclosed ballot to you so that you may vote on whether or not to approve the special tax.

This special tax ballot is for the use of the property owner of the parcels identified below, which parcels are located within the territory proposed to be annexed to the CFD No. 2015-2, City of Lake Elsinore, County of Riverside, State of California. Please advise the City Clerk, at (951) 674-3124 x 269 if the name set forth below is incorrect or if you are no longer one of the owners of these parcels. This special tax ballot may be used to express either support for or opposition to the proposed special tax. To be counted, this special tax ballot must be signed below by the owner or, if the owner is not an individual, by an authorized representative of the owner. The ballot must then be delivered to the City Clerk, either by mail or in person, as follows:

Mail

Delivery: If by mail, place ballot in the return envelope provided, and mail no later than <u>July</u>

30, 2019, two calendar weeks prior to the date set for the election. Mailing later than this deadline creates the risk that the special tax ballot may not be received

in time to be counted.

Personal

Delivery: If in person, deliver to the City Clerk at any time up to 7:00 p.m. on August 13,

2019, at the Clerk's office at 130 N Main St. Lake Elsinore, CA 92530.

However delivered, this ballot must be received by the Clerk prior to the close of the public meeting on August 13, 2019.

Very truly yours,

Mark Mahan, Deputy City Clerk

TO CAST THIS BALLOT, PLEASE RETURN THIS ENTIRE PAGE.

OFFICIAL SPECIAL TAX BALLOT

SPECIAL TAX BALLOT MEASURE

Name & Address of Property Owner:	Assessor's Parcel Number(s):
Nichols RD. Partners, LLC	389-200-038, 389-210-008,
Attn: Eric L. Werner P. O. Box 77850	389-210-032, 389-210-034,
Corona, CA 92877	389-210-036

ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2015-2 (MAINTENANCE SERVICES) ANNEXATION NO. 8

MARK "YES" OR "NO"

WITH AN "X":

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT

Shall the City Council of the City of Lake levy a special tax on an annual basis at as described in Exhibit C to the Resolutio Annex Territory to Community Facili (Maintenance Services) adopted by the 2019 (the "Resolution"), which is increference, within the territory identifie "Annexation Map No. 8 of Community Fa (Maintenance Services) City of Lake El services as set forth in Section 4 to incidental expenses) and shall an approp for Community Facilities District No. 2015 in the amount of special taxes collected?	the rates and apportioned on Declaring its Intention to ties District No. 2015-2 City Council on June 25, corporated herein by this ed on the map entitled acilities District No. 2015-2 Isinore" to finance certain the Resolution (including priation limit be established	YES		
Certification for Special Election Ballot				
The undersigned is an authorized representative of the above-named landowner and is the person legally authorized and entitled to cast this ballot on behalf of the above-named landowner.				
I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on, 20				
	Nichols RD. Pa A California co	· ·		
	Signature			
	Print Name			
	Title			