

City of Santa Paula

City Council Special

MAYOR CARLOS JUAREZ
VICE MAYOR JENNY CROSSWHITE
COUNCILMEMBER PEDRO A. CHAVEZ
COUNCILMEMBER LESLIE CORNEJO
COUNCILMEMBER GABRIELA ORNELAS



CITY COUNCIL SPECIAL MEETING OF THE SANTA PAULA CITY COUNCIL SPECIAL

WEDNESDAY, JANUARY 14, 2026

6:30 PM - City Council Special Meeting

SANTA PAULA CITY HALL
970 VENTURA STREET
SANTA PAULA, CA 93060

JULIE LATSHAW, CITY CLERK
DAN SINGER, CITY MANAGER
MONICA CASTILLO, CITY ATTORNEY

BRINGING ITEMS BEFORE THE CITY COUNCIL

You are invited to participate in all Regular City Council meetings. Agendas are posted in the front of Santa Paula City Hall, 970 Ventura Street, Santa Paula, 72 hours in advance of the scheduled meetings. The City Council's regular meetings start at 6:30 p.m. the first and third Wednesday of each month in the City Hall Council Chambers located at 970 Ventura Street in Santa Paula. Special and Closed Sessions vary by date and time.

HOW TO PARTICIPATE IN PERSON DURING THE MEETING: If you wish to speak at a City Council meeting, please fill out a **Public Comment Form** noting your name and address and submit the form to the City Clerk. Include the Agenda item number you wish to speak on. Members of the public may address the Council on items on this agenda only. **Public Comments are limited to 3 minutes.**

HOW TO PARTICIPATE BEFORE THE MEETING: Members of the public are encouraged to submit email correspondence on any agenda item by sending an email to cityclerk@spcity.org. All public correspondence received by three hours before the meeting date will be provided to the legislative body before the meeting. Public Comments received after, will be provided to the legislative body the next day.

Your Participation in this meeting is in the public domain; meetings are cablecast; minutes of this meeting will reflect your participation in this meeting and are posted on the city's website.

PLEASE NOTE: Be advised that if you bring a legal challenge to an action, you may be limited to raising only those issues you or someone else raised at the meeting described in this Agenda, or in written correspondence delivered to the City Council at or before the meeting. Any action is subject to the ninety-day time period set forth in Code of Civil Procedure § 1094.6.

In compliance with the **Americans with Disabilities Act**, if you need special assistance to participate in this meeting, please contact the City Clerk at (805) 933-4208. Notification 48 hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35, 102-35.104 ADA Title II). Written materials distributed to the City Council within 72 hours of the City Council meeting are available for public inspection immediately upon distribution in the City Clerk's office.

MEETING ENVIRONMENT

To maintain a public meeting environment conducive and welcoming to receive public comments from all members of the public, the audience is discouraged from engaging in displays of support or opposition to staff reports or public comments, including clapping, yelling, booing, hissing, or cheering, that may create a disruptive environment for the public who wish to express their views during the meeting are encouraged to do so in silent, non-disruptive ways -- such as raising a hand, shaking hands, or another quiet gesture of support or opposition that does not obstruct views or interrupt proceedings.

Members of the public holding signs are asked to hold the signs on their person in front of them or move to the back of the room so as not to obstruct the view of other members of the public wishing to participate in the meeting.

SPECIAL MEETING - COUNCIL CHAMBERS

1. CALL TO ORDER

REMINDER: in order to minimize distractions during public meetings, all personal communication devices should be turned off or put in a non-audible mode.

2. ROLL CALL

3. PUBLIC COMMENT

At this time, members of the public may comment on any item appearing on the agenda only. Individual Councilmembers may briefly respond to Public Comments or ask questions for clarification. **Public Comments are limited to three minutes.**

4. PUBLIC HEARING

- Verification of posting notice by City Clerk
- Declaration of conflicts (if any)

- Declaration of ex parte contacts (if any)
- Open public hearing
- Staff presentation
- Public comments
- Close public hearing
- Discussion and action

4.A **AMENDMENT NO. 4 TO THE DEVELOPMENT AGREEMENT (HARVEST AT LIMONEIRA)**

RECOMMENDATION:

Staff recommends the City Council:

Introduce and waive first reading of Ordinance No. 1351 entitled "An Ordinance finding that approving Amendment No. 4 to the Development Agreement will not result in new significant impacts or increase the severity of significant impacts addressed in the previously adopted Addendum No. 6 to the Final East Area 1 Environmental Impact Report (EIR) and Addendum No. 4 to the East Area 1 Specific Plan Supplemental EIR and approving Amendment No. 4 to the Development Agreement.

5. **ACTION ITEMS**

5.A **RESOLUTION OF CONSIDERATION OF CHANGES – IMPROVEMENT AREAS B AND C OF HARVEST CFD NO.1**

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt Resolution No. 7599 stating its consideration to amend the rate and method of apportionment and amend the services authorized to be funded for Improvement Area B and Improvement Area C of Harvest Community Facilities District No. 1.

6. **ADJOURNMENT**

State of California)-

County of Ventura)- ss

City of Santa Paula)-

I declare under penalty of perjury that I posted this City Council Agenda on the bulletin board near the front door of City Hall, 970 Ventura Street, Santa Paula, California.

On _____ at _____ Signed: _____

Julie Latshaw

City Clerk

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council Special

From: Monica Castillo, City Attorney

Subject: AMENDMENT NO. 4 TO THE DEVELOPMENT AGREEMENT (HARVEST AT LIMONEIRA)

Date: January 14, 2026

Agenda Item: 4.A

RECOMMENDATION:

Staff recommends the City Council:

Introduce and waive first reading of Ordinance No. 1351 entitled "An Ordinance finding that approving Amendment No. 4 to the Development Agreement will not result in new significant impacts or increase the severity of significant impacts addressed in the previously adopted Addendum No. 6 to the Final East Area 1 Environmental Impact Report (EIR) and Addendum No. 4 to the East Area 1 Specific Plan Supplemental EIR and approving Amendment No. 4 to the Development Agreement.

BACKGROUND:

Limoneira Lewis Community Builders, LLC ("LLCB") has initiated a fourth amendment to the current Development Agreement ("Amendment No. 4") for the planned community development known as the Harvest at Limoneira (hereafter, "Harvest"). Home builder Lennar Homes of California, LLC ("Lennar") is also a party to the proposed Amendment No. 4.

The proposed Amendment No. 4 will confer several benefits on the City, namely providing a long-term, perpetual, funding source for future City services, including maintenance and upkeep of the new Sports Park. In exchange, the City is making certain assurances about the expediting of future plan checks and permitting as well as the turnover of public improvements. The Amendment also provides for developer reimbursements and releases the \$2 million deposit made by LLCB upon the initiation of the Harvest development, once the 1000th certificate of occupancy is achieved. The City will begin receiving a minimum of \$250,000 in fiscal year 2028-29, with annual 4% escalators, to be utilized toward City services such as public safety, landscape maintenance, park maintenance and upgrades, etc.

On November 25, 2025, the Planning Commission adopted Resolution No. 3879 recommending that the City Council adopt an ordinance approving Amendment No. 4 and finding that the proposed changes to the current Development Agreement will not result in new significant impacts or substantial increase in the severity of significant impacts identified in

Addendum No. 6 to the certified EIR and Addendum No. 4 to the East Area 1 Supplemental EIR adopted in March 2024. The Planning Commission also recommended that Paragraph (b) of Section 3.2.2 (Dedication of Water Rights) in proposed Amendment No. 4 require that the actual water use accounting for Sports Park irrigation occur five years instead of two years after the City's final acceptance of Phase 2 of the Sports Park.

Tonight, the City Council is asked to consider the Planning Commission's recommendations and adopt Ordinance No. 1351 approving proposed Amendment No. 4 incorporating the Commission's amendment.

ANALYSIS:

Current Development Agreement

On February 26, 2015, the City and Limoneira Company entered into an Amended and Restated Development Agreement to govern development of Harvest ("Development Agreement"). The development would include up to 1,500 residential units, approximately 240,000 square feet of office, retail, light industrial and assisted living facilities, approximately 19 acres for educational and other civil facilities, and approximately 223 acres of undeveloped land, including open space and agricultural preserves, parks and greenways. On September 21, 2015, LLCB became the successor in interest to the rights, duties and obligations of the Limoneira Company pertaining to the Development Agreement.

On March 18, 2020, the City and the LLCB entered Amendment No. 1 to the Development Agreement ("Amendment No. 1") amending Section 3.1.1(a) of the Development Agreement to provide for an extension of the timeframe within which to complete construction of the Santa Paula Creek Sports Park.

On April 21, 2021, the City and LLCB again amended the Development Agreement ("Amendment No. 2") to, among other things, modify Section 3.3.2 to require that certain traffic improvements be completed prior to issuance of the 750th certificate of occupancy within the Project, including the improvements to the intersection of State Route 126 and Hallock Drive specified in Mitigation Measure T-1 (the "SR 126/Hallock Improvements"), and to modify the parties' obligations with respect to Public Benefit Housing.

Addenda and operating memoranda had also been executed throughout the years to clarify and interpret the Development Agreement terms, as permitted by the Development Agreement.

On February 21, 2024, the City Council approved a third amendment to the Development Agreement ("Amendment No. 3"), adding and modifying several terms. As a key change, Amendment No. 3 increased the 1,500 dwelling unit limit by 550 units for a new maximum of 2,050 units. It also granted credit for public infrastructure and utilities constructed by LLCB as part of the original 1,500 unit project. In exchange for the additional 550 units, LLCB agreed to make significant additional monetary contributions to the Sports Park and to help finance Rise Santa Paula, an affordable housing project under construction at 18004 E. Telegraph Road. Additionally, the amendment modified timeframes to complete improvements for traffic circulation, established development impact fees for the added 550 units, and updated LLCB's water rights obligations.

Following approval of Amendment No. 3, Lennar acquired real property known as "Phase II"

(i.e. the Foothill Neighborhood) of the Harvest project and entered a Partial Assignment and Assumption of Development Agreement with LLCB. As a result, Lennar is a party to the proposed Amendment No. 4.

Proposed Amendment No. 4 to the Development Agreement

A primary goal of proposed Amendment No. 4 is providing the City with long-term revenue sources for public facilities and services, particularly the Sports Park. The amendment also aims to facilitate the completion of traffic-related improvements, enhance efficiency in plan check and permitting, clarify existing reimbursement obligations to LLCB, and address other aspects of Harvest's buildout.

Community Facilities District No. 1 Amendment

Referenced in what will be new section 6.3.4 of Development Agreement is a proposed future amendment to the Community Facilities District No. 1 ("CFD No. 1") Funding, Construction, and Acquisition Agreement ("Acquisition Agreement") and the Rate and Method of Apportionment ("RMA") that apply to property within Harvest. A Community Facilities District (CFD) is a special taxing district that cities and developers use to levy special taxes on parcels in order to finance public facilities and services or repay bonds. The RMA is the formula that determines how the special tax per parcel is calculated.

The Acquisition Agreement divides Harvest into three areas: Improvement Areas A, B and C. Current homeowners, those in Improvement Area A, are assessed an annual CFD special tax on their County property tax bill. This tax pays for debt service on bonds that were sold to investors, proceeds of which are used to reimburse LLCB for the public facilities it is responsible to construct, such as streets, traffic signals, water, sewer, and storm drainage, parks, and landscaping associated with the Harvest. Special taxes levied that exceed the amount required to pay debt service on outstanding bonds and other permitted expenses are referred to as "surplus special taxes."

If approved early next year, the amendment to the Acquisition Agreement and RMA would provide decades of substantial and reliable revenue for city facilities and services. Starting fiscal year 2028-2029, the City would receive \$250,000 (increased 4% annually) in surplus special taxes levied on Improvement Areas B and/or C to pay for ongoing services and maintenance costs, including for the Sports Park. Improvement Area B covers the Foothill Neighborhood, while Improvement Area C covers the future Santa Paula Creek Neighborhood.

The yearly \$250,000 and 4% annual increase from Improvement Area B would continue until either of the following occurs: (1) the end of Fiscal Year 2067-68 or (2) bonds secured by Area B special taxes are fully repaid ("Transition Event"). The same would presumably apply for Improvement Area C.

Once the Transition Event occurs, the City will begin receiving annual proceeds which will bolster the City's opportunity to continue municipal services. While these estimates are contingent upon various market factors, it is anticipated that they will begin to accrue close to \$1 million per year and will grow on an annual basis up to \$10 million per year in later years.

This event is described in section 6.3.4(ii) as follows:

(ii) calculated separately for each of Improvement Area B and C and as set forth in the applicable RMA, in the fiscal year following the Transition Event (as defined in the applicable RMA to be agreed to by the Parties), the following shall occur: (a) an amount equal to, or equivalent to, approximately fifty percent (50%) of the then applicable maximum annual Special Tax A will become an authorized addition to be added to the then applicable annual Special Tax B maximum tax (and subject to the Annual Escalation Factor defined in the applicable RMA), to be levied perpetually in Improvement Areas B and C, as applicable, to fund ongoing Public Services (as defined in the applicable RMA) (b) Special Tax A in the applicable RMA shall be reduced to \$0 and shall no longer be levied against the subject properties in Improvement Areas B and C.

Sports Park

In exchange for the above long-term funding coming from CFD No. 1, should it be amended, the City must permanently maintain the Sports Park as a first-class sports park for the benefit of Santa Paula residents. To meet this standard, the City is required to comply with the Sports Park Maintenance Program attached as Exhibit A to Amendment No. 4.

Also related to the Sports Park, Amendment No. 4 would give General Plan Maintenance Fee credit to LLCB and Lennar in exchange for using the fees to fund construction and maintenance of the park.

Additionally, amended Section 3.2.2(b) requires LLCB to perform an accounting of actual water use for the Sports Park five years after City's final acceptance of Phase 2 of the park. The accounting will be used to adjust the amount of water rights transferred to the City in an amount equal to any shortfall or overage in City's water rights existing at the time of the accounting. And if the City uses reclaimed water to irrigate the park, the City would be required to credit or convey to LLCB the amount of water no longer needed to irrigate the park.

Reimbursement Agreements for Public Improvements

The current Development Agreement entitles LLCB to reimbursement for costs it incurred in constructing public facilities that exceed LLCB's fair share. New Section 7.1.5(e) in Amendment No. 4 would require the City to enter into reimbursement agreements shortly after approval of Amendment No. 4. Specifically, the agreements would reimburse LLCB for excess construction costs of the Santa Paula Creek Bridge, Hallock and Telegraph intersection improvements, Hallock and SR-126 intersection improvements, certain Santa Paula Street improvements, and a 20-inch water line in Santa Paula Street. Also as a form of reimbursement, rather than pay a \$1000/unit traffic impact fee for the 550 units added by Amendment No. 3 to fund a bike trail extension to the Sports Park, LLCB would receive a credit in the equivalent amount.

Expedited Review

Under Section 9.1.2 of the current Development Agreement, the City must develop and implement fast-track municipal development procedures so that design and construction of public improvements and other development proceed expeditiously. Amendment No. 4 creates timelines for expedited review in amended Section 9.1.2 and new Section 7.2.4.

Amended Section 9.1.2 establishes turnaround times and maximum number of reviews for all plan check, permitting, and inspection processes. (See Attachment B.) It also requires the

City to provide a deposit amount for plan check within five City working days. The number of “City working days” commences following submission and excludes weekends and government holidays recognized by the City, ending at 5:00 p.m. on the final day of the period. For weeks when City Hall is closed on a Friday, submissions received after noon on Thursdays will be considered submitted on the next weekday that City Hall is open.

Section 7.2.4 addresses the acceptance of public facilities constructed by LLCB and Lennar. It requires City and consultants to use good faith and commercially reasonable efforts to expedite all actions necessary for City acceptance of the public facilities. These efforts include City staff and consultants responding to communications from LLCB and Lennar within three (3) City working days and scheduling a meeting to address any unresolved issues with the City Manager and City Attorney within five (5) City working days of LLCB’s or Lennar’s request.

Traffic Circulation Infrastructure

For easier control and coordination of citywide projects coinciding with LLCB street widening and intersection improvements, the City and LLCB agreed that LLCB may pay its fair share toward such improvements instead of building them. Those improvements, which would now be completed by the City, are listed below.

1. *Santa Paula Street from 11th Street to the Santa Paula Creek Bridge* – improve both sides of Santa Paula Street, including curbs, gutters, pavement, and landscaping.
2. *Ojai Road (SR-150)/10th Street and Santa Paula Street* – reconfigure and widen intersection.

Road Improvement Delays

Santa Paula Street Improvements

New Section 3.3.2 addresses delays to the following three Santa Paula Street improvements that LLCB remains responsible for building: the Santa Paula Creek Bridge, the Palm Avenue and Santa Paula Street intersection, and the 12th Street and Santa Paula Street intersection. Should there be delays in their completion due to delays in City’s acquisition of right-of-way or outside LLCB’s reasonable control, the City is required to treat them as excusable delays. Further, the City may not use these excusable delays as a basis to delay or deny permits or certificates of occupancy for residential units, unless it would cause significant traffic circulation impacts or create a clear and immediate risk of harm to residents.

SR-126/Hallock

In amended Section 3.3.2(b)(i) concerning the widening and reconfiguration of SR-126 and Hallock, Developer is required to make traffic improvements upon City’s request if completion of the intersection improvements are delayed for causes beyond LLCB’s control.

Additional Terms

Public Storm Drains

New Section 8.6.7 requires the City, upon completion of the entire Harvest project, to take ownership of 24 acres of land containing storm drain basins 1, 2, 3, 4, and Orcutt Channel,

with the homeowners association responsible for ongoing maintenance. It also requires the City to consider accepting and maintaining the entire storm drain system after the Transition Event described in the proposed CFD No. 1 Amendment occurs, should it be approved.

Linear Park

Under New Section 8.6.9, LLCB and City will study, analyze, and discuss additional potential improvements to the Santa Paula Creek Linear Greenway and its transfer to the City. The City has proposed a dog park, a maintenance yard, a new community garden, and overflow parking. Additionally, the parties will discuss improvements at the Sports Park, which may include small retail.

ENVIRONMENTAL REVIEW:

The Harvest Project has been the subject of comprehensive environmental review since 2008 conducted in conformance with the requirements of the California Environmental Quality Act (CEQA). An Environmental Impact Report (EIR) analyzing the impacts of the East Area 1 Specific Plan as originally proposed and approved was certified in 2008 (2008 EIR). The City prepared two addendums to the 2008 EIR evaluating minor changes to the approved project. In 2015, the City prepared a Supplemental EIR (2015 SEIR) to analyze an amendment to the approved Specific Plan involving reconfiguration of the approved uses. Since 2015, the City has also prepared three additional Addendums to the 2015 SEIR and six to the 2008 EIR evaluating minor changes to the approved Specific Plan.

Most recently, in March 2024, the City adopted Addendum No. 6 to the certified EIR and Addendum No. 4 to the East Area 1 Supplemental EIR. Upon review of the previous environmental documents, Staff finds that the proposed changes to the Development Agreement will not result in new significant impacts or substantial increase in the severity of significant impacts identified in Addendum No. 6 to the certified EIR and Addendum No. 4 to the East Area 1 Supplemental EIR. Amendment No. 4 does not create new uses or intensities of use, nor does it provide for the construction of new public infrastructure.

STRATEGIC PLAN:

This item furthers the following Strategic Plan general goal: "Create an environment within the City in which our residents feel safe and which promotes the City as a location of choice for living, working, visiting and recreating."

FISCAL IMPACTS:

Amendment No. 4 contemplates CFD changes that will lead to millions in future revenue. It also includes changes to reimbursement agreements with LLCB (which are paid for with other projects impact fees). There are also fiscal impacts associated with the city taking responsibility from LLCB to complete street improvements. While a net gain/loss to the city is difficult to quantify as some fiscal impacts will be short term versus long term gains, staff will include estimated increased costs/revenues at the Council meeting.

OPTIONS:

In addition to the recommended action, the City Council has the following available alternative options:

1. Request substantive amendments to Amendment No. 4 and refer the amendments back to the Planning Commission for consideration.
2. Continue the hearing in order to obtain further information.
3. Deny the applicants' request.

ATTACHMENTS:

[Att A - Ordinance re Harvest DA Amendment No. 4 w Ex.pdf](#)

[Att B - Plan Review and Approval Table](#)

ATTACHMENT A

ORDINANCE NO. 1351

AN ORDINANCE FINDING THAT APPROVING AMENDMENT NO. 4 TO THE DEVELOPMENT AGREEMENT WILL NOT RESULT IN NEW SIGNIFICANT IMPACTS OR INCREASE THE SEVERITY OF SIGNIFICANT IMPACTS ADDRESSED IN THE PREVIOUSLY ADOPTED ADDENDUM NO. 6 TO THE FINAL EAST AREA 1 ENVIRONMENTAL IMPACT REPORT (EIR) AND ADDENDUM NO. 4 TO THE EAST AREA 1 SPECIFIC PLAN SUPPLEMENTAL EIR, AND APPROVING AMENDMENT NO. 4 TO THE DEVELOPMENT AGREEMENT

The City Council of the City of Santa Paula does resolve as follows:

SECTION 1: The City Council finds and declares that:

- A. On February 26, 2015, the City entered into that certain First Amended and Restated Development Agreement, recorded on April 27, 2015 as Instrument No. 20150427 (“Development Agreement”) with Limoneira Company for the development of what is commonly known as Harvest at Limoneira, a master-planned residential development in Santa Paula, California. The original development included up to 1,500 residential units, an estimated 240,000 square feet of office, retail, light industrial and assisted living facilities, 19 acres for educational and other civic facilities and approximately 223 acres of undeveloped land including open space and agricultural preserves, parks and greenways (“Project”).
- B. On or about September 21, 2015, Limoneira Lewis Community Builders, LLC (“LLCB”) became the successor in interest to the rights and obligations of Limoneira Company pertaining to the Development Agreement.
- C. On or about March 18, 2020, the City and LLCB entered Amendment No. 1 to the Development Agreement (“Amendment No. 1”) amending Section 3.1.1(a) of the Development Agreement to provide for an extension of the timeframe within which to complete construction of the Santa Paula Creek Sports Park.
- D. On April 21, 2021, the City and LLCB again amended the Development Agreement (“Amendment No. 2”) to, among other things, modify Section 3.3.2 to require that certain traffic improvements be completed prior to issuance of the 750th certificate of occupancy within the Project, including the improvements to the intersection of State Route 126 and Hallock Drive specified in Mitigation Measure T-1 (the “SR 126/Hallock Improvements”), and to modify the parties obligations with respect to Public Benefit Housing.
- E. Addenda and operating memoranda had also been executed throughout the years to clarify and interpret the Development Agreement terms, as permitted by the Development Agreement.

- F. On February 21, 2024, the City Council approved a third amendment to the Development Agreement (“Amendment No. 3”), to among other things (i) vest the Applicant’s right to construct the Project with up to 550 additional units consistent with the then pending Specific Plan Amendment, (ii) secure certain additional public benefits to the City, including additional funding for the sports park and affordable housing, (iii) require LLCB to enter into an offsite improvement agreement and post bonds to ensure the timely completion of the Santa Paula Creek Bridge, and (iv) require LLCB to continue to ensure adequate emergency access to the Project, including using good faith efforts to construct an additional emergency access between the project site and E. Telegraph Road along Dike Road and/or Texas Lane, as approved by the City and the Ventura County Fire Department.
- G. Following approval of Amendment No. 3, Lennar Homes of California, LLC (“Lennar”) acquired real property known as “Phase II” (i.e. the Foothill Neighborhood) of the Project and entered a Partial Assignment and Assumption of Development Agreement with LLCB.
- H. In 2025, LLCB initiated a fourth amendment to the Development Agreement (“Amendment No. 4”). Lennar, as an assignee of the Development Agreement, is a party to the proposed Amendment No. 4.
- I. Proposed Amendment No. 4 references a future amendment to Community Facilities District No. 1 (“CFD No. 1”), which would provide a substantial long-term, perpetual, funding source for future City services, including maintenance and upkeep of the Sports Park. The amendment, among other terms, also (i) makes assurances about the expediting of future plan checks and permitting as well as the turnover of public improvements, (ii) provides for developer reimbursements for excess costs of public facilities, (iii) releases a \$2 million deposit made by LLCB once the project reaches the 1000th certificate of occupancy, and (iv), should the CFD No. 1 amendment be approved, promises the City a minimum of \$250,000 starting in fiscal year 2028-29, with an annual 4% escalator, along with significant more funding in later decades, to be utilized toward City services such as public safety, landscape maintenance, park maintenance and upgrades.
- J. On November 25, 2025, the Planning Commission of the City of Santa Paula conducted a public hearing pursuant to the provisions of Government Code Section 65867, notice of which was provided in accordance with Government Code Section 65090 and 65091, at which hearing all persons wishing to testify in connection with Amendment No. 4 were heard and at which time Amendment No. 4 was comprehensively reviewed.

SECTION 2: Development Agreement Findings. The City Council makes the following findings pursuant to SPMC Sections 16.234.070 and 16.234.090 and the Government Code:

A. *Amendment No. 4 is consistent with the objectives, policies, general land uses and programs specified in the General Plan and any applicable specific plans.* The amendment is consistent with the following objectives, policies, and land uses of the 2040 General Plan:

- a. Policy LU 1.8 Quality development. Encourage quality development that:
 - i. Contributes significant social, economic and aesthetic benefits to Santa Paula and its citizens.
- b. Policy LU 3.2 Public amenities. Provide sufficient land for amenities to enrich the lives of citizens, such as parks, open space, community gardens and farmers markets, cultural facilities such as theaters and museums, and preservation of natural and historic places.
- c. Goal CM 1 A safe, efficient and well-funded circulation network correlated with existing and future land uses to support the mobility needs of pedestrians, bicyclists, public transportation, motorists, children, seniors, persons with disabilities, movers of commercial goods, and emergency vehicles.
- d. Goal PSU 6.1 Parks and recreational amenities. Enhance existing amenities such as parks, trails and recreational facilities, and encourage the provision of additional facilities to enrich the quality of life for current and future residents, visitors and employees in Santa Paula. Parks, recreational areas, open spaces, natural areas, civic and cultural resources should be accessible to all, including children, adults, seniors and those with disabilities.

In addition, the project site is designated “Specific Plan” in the General Plan Land Use Map. It is zoned SP-3 which makes it subject to the regulations and standards in the East Area 1 Specific Plan. Amendment No. 4 does not conflict with the specific plan, and does not require changes to land uses or provide for the addition of new homes or structures. Amendment No. 4’s changes pertain to permit processing, developer reimbursement, redefined roles for certain street improvements, funding for public facilities and services, and other changes related to buildout of the approved project. Amendment No. 4 is therefore consistent with the East Area 1 Specific Plan.

B. *Amendment No. 4 is compatible with the uses authorized in, and the regulations prescribed for the zone in which the real property is or will be located.* The project site affected by Amendment No. 4 is designated “Specific Plan” in the General Plan Land Use Map. It is zoned SP-3 which makes it subject to the regulations and standards in the East Area 1 Specific Plan. Amendment No. 4 does not conflict with the specific plan, and does not require changes to land uses or provide for the addition

of new homes or structures. Amendment No. 4's changes pertain to permit processing, developer reimbursement, redefined roles for certain street improvements, funding for public facilities and services, and other changes related to buildout of the approved project. Amendment No. 4 is therefore compatible with the uses authorized in, and the regulations prescribed for, zone SP-3.

- C. *Amendment No. 4 will promote public convenience, general welfare and good land use practice.* Amendment No. 4 will promote public convenience, general welfare and good land use practice. Amendment No. 4 documents a future CFD No. 1 amendment, which, if approved, will provide a substantial long-term, perpetual, funding source for future City services, including maintenance and upkeep of the new Sports Park. The proposed amendment also promotes efficient, expedient coordination between LLCB and City for the completion of public facilities, including the Santa Paula Creek Bridge.
- D. *Amendment No. 4 will not adversely affect the orderly development of property or the preservation of property values.* Amendment No. 4 will not adversely affect the orderly development of property or the preservation of property values. Amendment No. 4 documents a future CFD No. 1 amendment, which, if approved, will provide a substantial long-term, perpetual, funding source for future City services, including maintenance and upkeep of the new Sports Park. The proposed amendment also promotes efficient, expedient coordination between LLCB and City for the completion of public facilities, including the Santa Paula Creek Bridge, and establishes a maintenance program for the Sports Park. The significant, ongoing funding source, contributions and care for the Sports Park, and processes to facilitate faster construction encourage orderly development and preserve property values.
- E. *Amendment No. 4 will promote and encourage the development of the proposed project.* Amendment No. 4 will promote and encourage the development of the proposed project because it establishes timeframes for expedited plan check and permitting.
- F. Amendment No. 4 is consistent with the provisions of Government Code sections 65864 through 65869.5 for the reasons cited in Subsections A through E, above.

SECTION 3: Environmental Assessment. The Planning Commission recommends City Council make the following environmental findings:

- A. An Environmental Impact Report (EIR) analyzing the impacts of the EA1 Specific Plan as originally proposed and approved was certified in 2008 (2008 EIR). The City prepared two addendums to the 2008 EIR (FEIR) evaluating minor changes to the approved project. In 2015, the City prepared a Supplemental EIR (2015 SEIR) to analyze an amendment to the approved Specific Plan involving reconfiguration of the approved uses. Since 2015, the

City has also prepared two additional Addendums to the 2015 SEIR and 2008 EIR evaluating minor changes to the approved Specific Plan. In March 2024, the City adopted Addendum No. 6 to the 2008 EIR and Addendum No. 4 to the 2015 SEIR.

- B. Proposed Amendment No. 4 is within the scope of the project analyzed in Addendum No. 6 to the previously certified 2008 EIR and Addendum No. 4 to the previously certified 2015 SEIR. None of the conditions described in the California Environmental Quality Act (CEQA) Guidelines § 15162 call for preparation of a subsequent or supplemental EIR have occurred. Therefore, no further CEQA documentation is required.

SECTION 4: Approval. The City Council hereby approves Amendment No. 4 attached as Exhibit “A”, incorporated herein by this reference, and authorizes the City Manager to execute Amendment No. 4 on behalf of the City in a form approved by the City Attorney.

SECTION 5: Summaries of Information. All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 6: Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications, and to this end the provisions of this Ordinance are severable.

SECTION 7: Notice. The City Clerk is directed to certify the passage and adoption of the Ordinance, make a note of the passage and adoption in the records of this meeting, and within fifteen days after the passage and adoption of this Ordinance cause it to be published and posted in accordance with California law.

SECTION 8: Recording. The City Clerk is further directed to record Amendment No. 4 with the Ventura County Recorder within ten calendar days after the City enters into Amendment No. 4 with the LLCB and Lennar.

SECTION 9: This Ordinance will become effective on the 31st day following its passage and adoption.

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PASSED AND ADOPTED this _____ day of _____ 2026.

Carlos Juarez, Mayor

ATTEST:

Julie Latshaw, CMC, City Clerk

APPROVED AS TO FORM:

Monica Castillo, City Attorney

EXHIBIT A

Development Agreement Amendment No. 4

[attached behind]

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City of Santa Paula
970 Ventura Street,
Santa Paula, California 93060
Attn: City Clerk

Exempt from Fees Per Gov. Code § 6103

Space above this line for Recorder's Use Only

**AMENDMENT NO. 4 TO THE FIRST AMENDED AND RESTATED
DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF SANTA PAULA,
LIMONEIRA LEWIS COMMUNITY BUILDERS, LLC, AND
LENNAR HOMES OF CALIFORNIA, LLC**

This Amendment No. 4 to the First Amended and Restated Development Agreement (the "Fourth Amendment"), dated _____, 2026 for reference purposes only, is made by and between the CITY OF SANTA PAULA, a California municipal corporation ("City"), and LIMONEIRA LEWIS COMMUNITY BUILDERS, LLC, a Delaware limited liability company ("LLCB"), and LENNAR HOMES OF CALIFORNIA, LLC, a Delaware limited liability company ("Lennar"), and with reference to the following facts and objectives:

RECITALS

A. On or about February 26, 2015, the City and Limoneira Company entered into a First Amended and Restated Development Agreement, recorded on April 27, 2015 as Document No. 20150427 of the Official Records ("Original Development Agreement") for developing the area commonly known as "East Area 1." On or about September 21, 2015, Developer became the successor in interest to the rights and obligations of Limoneira Company pertaining to the Development Agreement.

B. On March 18, 2020, Section 3.1. l(a) of the Original Development Agreement was amended to provide for an extension of the timeframe within which to complete construction of the Santa Paula Creek Sports Park ("Amendment No. 1").

C. On April 21, 2021, the City and LLCB again amended the Original Development Agreement, recorded April 29, 2021 as Document No. 20210429-00086553-0 of the Official

Records (“Amendment No. 2”) to, among other things, modify Section 3.3.2 to require that certain traffic improvements be completed prior to issuance of the 750th certificate of occupancy within the project, including the improvements to the intersection of State Route 126 and Hallock Drive specified in Mitigation Measure T-1 (the “SR 126/Hallock Improvements”), and to modify the parties obligations with respect to Public Benefit Housing.

D. On March 23, 2024, the City and LLCB further amended the Original Development Agreement, recorded April 29, 2021 as Document No. 2024000019101 of the Official Records (“Amendment No. 3”) to, among other things, revise the mix of allowed uses to increase the maximum number of residential units within the Project Site by 550 units for a total of 2050 units consistent with Specific Plan Amendment No. 3, and to revise the Original Development Agreement, as previously amended, to address these additional units. The Original Development Agreement and Amendment Nos. 1, 2 and 3, as clarified and supplemented with all Operating Memoranda executed by the parties as of the Effective Date of this Fourth Amendment, are collectively referred to herein as the “Development Agreement”.

E. On or about April 30, 2024, Lennar acquired real property known as “Phase II” of East Area 1 that is subject to the Development Agreement. In connection therewith, a Partial Assignment and Assumption of Development Agreement from LLCB to Lennar was recorded in the Official Records on April 30, 2024, as Document No. 2024000024929 (the “Assignment”).

F. Pursuant to the Assignment and Section 6.3 of the Development Agreement, the City must in good faith cooperate with Lennar to establish a Mello-Roos District or other financing mechanism upon Lennar’s request. Additionally, except for Sections 7.1.7 (Reimbursement of City Funds) and 7.1.6 (Dedications), the Assignment entitles Lennar to rights and subjects it to obligations in Article 7 (Commitments of City and Developer Related to Public Improvements) to the extent contractually agreed upon by Lennar and LLCB.

G. The purpose of this Fourth Amendment is to, among other changes, (i) enhance the City’s long-term ability to fund maintenance costs for the Santa Paula Creek Sports Park by providing for a reallocation of a portion of the special taxes collected from CFD No. 1 to fund a portion of the City’s ongoing maintenance costs, (ii) clarify and adjust certain traffic related LLCB requirements to better coincide with the anticipated completion of the Santa Paula Street Bridge, (iii) improve the efficiency of plan check and permitting to facilitate project buildout, (iv) facilitate enhanced cost recovery for public facilities constructed by LLCB, and (v) correct the date of the Potable Water System Master Plan Amendment in Section 3.2.2.

In consideration of the foregoing and pursuant to Section 10.1.2 of the Development Agreement, the Development Agreement is hereby further amended as follows:

AGREEMENT

1. Revisions to Article 3. Article 3 (Public Benefits) of the Development Agreement is amended as follows:

A. Paragraph (b) of Section 3.2.2 (Dedication of Water Rights) of the Development Agreement, as previously amended in Amendment No. 2 to the First Amended and Restated Development Agreement, is amended in its entirety to read as follows:

“(b) Final Maps After January 1, 2024. This paragraph governs the dedication of water rights to the City with respect to final maps recorded after January 1, 2024. That certain East Area One Potable Water System Master Plan dated August 2017 (“PWMP”) for the Project was updated in 2023 by that certain Potable Water System Master Plan Amendment dated December 29, 2023 based on actual water usage data for the 316 single-family homes occupied for all of 2022. The PWMP has been approved by the City (the “Final PWMP”), and the final water usage numbers are subject to further adjustment as specified herein. Upon recordation of the first final map recorded after January 1, 2024, Developer must transfer groundwater production equivalent to the Demand Rates set forth in Table 1 of the Final PWMP for the uses encompassed in that tract map, which includes the additional 25% buffer required under the SPMC. Developer must perform a water use study and monitoring program one year after issuance of the last certificate of occupancy for said tract to determine the actual per capita water use for the residential users within the Project, and City agrees to cooperate in good faith by timely providing all necessary information regarding actual water use. To the extent that the actual per capita residential use exceeds the 64 gpd rate, then Developer must transfer additional water rights to the City. To the extent that the actual per capita residential use is less than the transferred water rights, such excess transferred water rights can be applied as a credit toward satisfying the water rights transfer required for the second tract map. The actual per capita residential use rate for the first tract map or 64 gpd, whichever is less, will be used to calculate the projected water demand for the for the second final tract map, and the water rights for the second tract map must be transferred to the City prior to recordation of the second final tract map. This procedure must be repeated for each subsequent final map through buildout of the Project. Five years after City’s final acceptance of Phase 2 of the Sports Park, including approval and acceptance of the turf and irrigation, Developer will perform an accounting of actual water use for the Sports Park and adjust the amount of water rights transferred to the City in an amount equal to any shortfall or overage in City’s water rights existing at the time of the accounting. In the event the City uses reclaimed water to irrigate the Sports Park in the future, the parties will perform an updated accounting of water use, and the City will convey an amount of water rights equal to or grant credit to Developer for the water rights no longer needed to irrigate the Sports Park. The groundwater rights transferred to City pursuant to this section are subject to Developer’s right to use such water for construction and irrigation purposes as set forth in Section 8.6.1 of the Development Agreement. As of September 1, 2023, Developer has transferred approximately 155.16 AFY to the City pursuant to this Section 3.2.2.”

B. Paragraph (b) of Section 3.3.1 (Santa Paula Street) of the Development Agreement, as previously amended in Amendment No. 2 to the First Amended and Restated Development Agreement, is amended in its entirety to read as follows:

“(b) Off-Site Improvements. Before or concurrent with the completion of the Santa Paula Street Bridge, or at such later date as may be directed by the City Manager to facilitate

completion of the City’s planned improvements to Santa Paula Street, Developer must pay an in lieu fee for the Project’s fair share costs for improving both sides of the City’s existing right-of-way of Santa Paula Street from 11th Street to the Santa Paula Street Bridge, including curbs, gutters, pavement and landscaping. Developer does not have any obligation to pay any fees or costs associated with undergrounding any utilities along Santa Paula Street, or to construct any improvements in this location.”

B. Subparagraph (b)(i) of Section 3.3.2 (Traffic Circulation Infrastructure) of the Development Agreement, as previously amended in Amendment No. 2 and Amendment No. 3 to the First Amended and Restated Development Agreement, is amended in its entirety to read as follows:

“(i) SR-126/Hallock. Notwithstanding Mitigation Measure T-1 set forth in the EAO FEIR, which requires Developer to pay its pro rata share of the costs, Developer must widen and reconfigure the intersection of SR-126 and Hallock Drive, as described in said Mitigation Measure, before City issues a final certificate of occupancy for the 1,000th residential dwelling unit in the Project. Developer represents and City agrees that the widening and reconfiguring of the SR-126 and Hallock Drive intersection in conformance with the final improvement plans approved by City (to the extent outside the Caltrans-approved plans) and Caltrans (e.g. Encroachment Permit No. 07-23-N-OP-1845 issued September 18, 2023, as may be further modified and approved by Caltrans prior to completion of construction) shall satisfy the requirements of Mitigation Measure T-1. Should completion of the intersection improvements be delayed for causes beyond Developer’s control (e.g., needed property acquisitions and agency approvals), and the delay causes significant traffic circulation impacts, Developer agrees to make traffic improvements necessary to mitigate those impacts. Such improvements shall be made upon City’s request and at no cost to the City.”

C. Subparagraph (c)(vi) of Section 3.3.2 (Traffic Circulation Infrastructure) of the Development Agreement, as previously amended in Amendment No. 2 and Amendment No. 3 to the First Amended and Restated Development Agreement, is amended in its entirety to read as follows:

“(vi) SR-150/10th/Santa Paula. Consistent with Mitigation Measure T-7 set forth in the EAO FEIR, before or concurrent with the completion of the Santa Paula Street Bridge, or at such later date as may be directed by the City Manager to facilitate completion of the City’s planned improvements to Santa Paula Street, Developer may instead of completing the improvements pay an in lieu fee for the Project’s fair share costs for reconfiguring and widening the intersection of Ojai Road (SR-150)/10th Street and Santa Paula Street as described in Mitigation Measure T-7.

D. Subparagraph (f) of Section 3.3.2 (Traffic Circulation Infrastructure) of the Development Agreement, as previously amended in Amendment No. 2 and Amendment No. 3 to the First Amended and Restated Development Agreement, is amended in its entirety to read as follows:

“(f) City Assistance. City must cooperate with Developer and exercise its powers to implement the traffic and circulation mitigation measures set forth above and in the SEIR and EAO

FEIR. Such cooperation shall be as set forth in Section 7.2.1, including acquiring any additional right-of-way from any third-party property owners required for the improvements to be constructed by Developer.”

E. A new Subparagraph (g) of Section 3.3.2 (Traffic Circulation Infrastructure) of the Development Agreement, as previously amended in Amendment No. 2 and Amendment No. 3 to the First Amended and Restated Development Agreement, is added to read as follows:

“(g) Delays to Santa Paula Street Improvements. In the event of any delays in completion of a Santa Paula Street Improvement required in this Article resulting from delays associated with the City’s acquisition of required right-of-way, or other causes outside Developer’s reasonable control, such delays shall be considered excusable delays, and in no event shall such excusable delays be used by the City as a basis for delaying or denying the issuance of any permits or certificates of occupancy for residential units within the Project, unless the City determines doing so would cause significant traffic circulation impacts or a clear and immediate risk of harm to the health, safety, and welfare of residents. The term “Santa Paula Street Improvement” is defined as any one of the following:

1. The Santa Paula Street Bridge, described in Section 3.3.1(a);
2. Improvements to Santa Paula Street from 11th Street to the Santa Paula Street Bridge for which the City is responsible, described in Section 3.3.1(b);
3. Reconfiguration and widening of the intersection at Ojai Road (SR-150)/10th Street and Santa Paula Street for which the City is responsible, described in Section 3.3.2(c)(vi), provided that Developer pays its fair share;
4. Reconfiguration of the intersection at Palm Avenue and Santa Paula Street, described in Section 3.3.2(c)(vii); and/or
5. Installation of a traffic signal and reconfiguration of the intersection at 12th Street and Santa Paula Street, described in Section 3.3.2(d)(i).”

2. Revisions to Article 6. Article 6 (Financial Commitments of City and Developer) of the Development Agreement is hereby amended as follows:

A. A new Section 6.3.4 is added to the Development Agreement to state as follows:

“6.3.4 Amendment of Community Facilities District No. 1. Concurrently with approval of the Fourth Amendment to the Development Agreement, the City agrees to amend the Community Facilities District No. 1 (“CFD No. 1”) Funding, Construction, and Acquisition Agreement (“Acquisition Agreement”) and Rate and Method of Apportionment for Improvement Areas B and C (each an “RMA”) to increase the long-term revenue to the City for ongoing maintenance and operations costs, including for the Santa Paula Creek Sports Park, to provide for

the following: (i) annually, beginning with special tax collections from fiscal year 2028-29, the first available aggregate amount of Two Hundred Fifty Thousand Dollars (\$250,000) (increased at 4% per annum) of surplus special taxes generated from Improvement Areas B and/or C, will be allocated to and retained by the City to fund ongoing services and maintenance costs, including without limitation maintenance costs of the Sports Park and other parkways in the Project area; (ii) calculated separately for each of Improvement Area B and C and as set forth in the applicable RMA, in the fiscal year following the Transition Event (as defined in the applicable RMA to be agreed to by the Parties), the following shall occur: (a) an amount equal to, or equivalent to, approximately fifty percent (50%) of the then applicable maximum annual Special Tax A will become an authorized addition, and shall be added, to the then applicable annual Special Tax B maximum tax (and subject to the Annual Escalation Factor defined in the applicable RMA), to be levied perpetually in Improvement Areas B and C, as applicable, to fund ongoing Public Services (as defined in the applicable RMA), including maintenance of the Santa Paula Creek Sports Park, and (b) Special Tax A in the applicable RMA shall be reduced to \$0 and shall no longer be levied against the subject properties in the applicable Improvement Area. At the Developer's request prior to the close of escrow of the first home in Improvement Area C, the City shall agree to conduct change proceedings to increase the Special Tax A and Special Tax B rates in order to adjust to increased expected base sales prices of the homes in Improvement Area C and provided that, with such increases, the total effective tax rate for the homes in Improvement Area C will not exceed 2% of the expected base sales prices of such homes. In consideration for this additional long-term funding, the City agrees to permanently maintain the Santa Paula Creek Sports Park in accordance with the Sports Park Maintenance Program attached as Exhibit N to ensure the Santa Paula Creek Sports Park remains a first-class sports park for the benefit of the City's residents."

3. Exhibit A (Sports Park Maintenance Program) to this Fourth Amendment is added as Exhibit N to the Development Agreement.

4. Revisions to Article 7. Article 7 (Commitments of City and Developer Related to Public Improvements) of the Development Agreement is hereby amended as follows:

A. A new subsection (e) is added to Section 7.1.5(e) of the Development Agreement to state as follows:

"(e) Consistent with the requirements of this Section 7.1.5 to facilitate reimbursement to Developer for costs incurred by Developer in constructing public facilities that exceed Developer's fair-share obligation, the City agrees to enter into a reimbursement agreement with Developer, either concurrently with approval of the Fourth Amendment to this Agreement or as soon as feasible thereafter, providing for the reimbursement of costs incurred by Developer in excess of its fair share for the Santa Paula Street Bridge, the Hallock and Telegraph Road intersection improvements, the Hallock and SR-126 intersection improvements, the Santa Paula Street Improvements (defined in 3.3.2(g)(1), (4) & (5) above), and the twenty inch (20") off-site water line improvements in Santa Paula Street. The reimbursement to Developer shall come from DIF or other fair share payments from other benefitted developments/property owners, as well as a full credit to Developer for the \$1,000/unit traffic DIF required for the final 550 residential units in the Project under the last sentence of Section 3.9.2(f) of the Third Amendment to the First Amended and Restated Development Agreement. For the avoidance of doubt, nothing in this

subsection shall require the City to reimburse Developer from funds other than cash reimbursements from, or fee credits toward, applicable City DIF fees. If the City uses the foregoing sources to reimburse Developer, Developer shall not request reimbursement from CFD No. 1 bond proceeds absent an accounting that prevents duplicative payment.”

B. Section 7.2.4 of the Development Agreement is amended to add the following at the end of the Section:

“To facilitate timely acceptance of all public facilities as required by this Section and Subdivision Map Act, the City agrees to use its good faith and commercially reasonable efforts to expedite all inspections, reviews, punch lists, notices, signatures, and other actions by City employees and third party consultants necessary for acceptance of all public facilities constructed by Developer, including without limitation responding to all communications from Developer within three (3) City working days and scheduling a meeting to address any unresolved issues with the City Manager and City Attorney within five (5) City working days of a request for same by Developer. “City working days” will be calculated as described in Section 9.1.2. Nothing in this Section voids the procedure for dedication and acceptance of facilities set forth in Section 11 of the Acquisition Agreement.”

5. **Revisions to Article 8.** Article 8 (Other Commitments of City and Developer) of the Development Agreement is hereby amended as follows:

A. New Sections 8.6.7, 8.6.8, and 8.6.9 are added to the Development Agreement to state as follows:

“8.6.7 City Ownership of Public Storm Drain Basins. Upon completion of the Project, City agrees to promptly take fee title to the land containing storm drain basins 1, 2, 3, 4, and Orcutt Channel, consisting of a total of approximately 24 acres, which title shall be subject to the ongoing maintenance obligations of the Project homeowners association. The parties shall cooperate in executing such additional documents and taking such further actions as may be reasonably necessary to carry out the provisions of this Section. Furthermore, upon the occurrence of paragraph (ii) of Section 6.3.4 above the City shall consider accepting and maintaining the entire storm drain system in the Project.

“8.6.8 Additional Sports Park Contribution. In exchange for General Plan Maintenance Fee credit, Developer (which term includes any applicable builder) will pay an amount equivalent to the General Plan Maintenance Fee due to the City, calculated based upon applicable development plans for the Project. Payment for the Foothill Village and Independence at Limoneira neighborhoods calculated at \$5.26 per \$1,000 permit valuation of each residential unit and non-residential building, shall be due within 30 days upon City’s request. Funds shall only be used to fund the construction or maintenance of the Santa Paula Creek Sports Park.

“8.6.9 Santa Paula Creek Linear Greenway. LLCB and City agree to study, analyze, and discuss improvements to and transfer of the Santa Paula Creek Linear Greenway to City, as well as improvements to the Santa Paula Creek Sports Park which may include small retail uses at the park.”

B. The last sentence of Section 8.8 (Fiscal Impact Deposit) is hereby amended and replaced in its entirety by the following:

“Notwithstanding anything to the contrary set forth in this Section 8.8, upon issuance of the one thousandth (1,000th) certificate of occupancy within the Project, City shall promptly release and refund to Developer the Two Million Dollar (\$2,000,000) Fiscal Shortfall Deposit, including any remaining interest earned thereon.”

6. Revisions to Article 9. Article 9 (Consideration of Permits and Approvals) of the Development Agreement is hereby amended as follows:

A. Section 9.1.2 of the Development Agreement is amended to add the following at the end of the Section:

“To facilitate the expedited review required by this Section 9.1.2, City agrees to coordinate with Developer and establish agreed turn-around times and the maximum number of reviews for all plan check, permitting, and inspection processes applicable to the Project, which the City will apply to all internal staff reviews and all third party contract firms and personnel, and will endeavor to incorporate such terms into the applicable agreements with all third party consultants retained by the City to perform services in connection with the Project. At a minimum, these limits shall include the following: (i) all initial submissions shall be reviewed for completeness within five (5) City working days and shall be deemed complete unless City provides written notification of the information needed for completeness within such period; (ii) the City’s first plan check process must be completed and all comments provided within twenty (20) City working days from a complete submission, after which comments shall be limited to issues raised by City’s comments, Developer’s responses, or plan revisions; (iii) the City’s second plan check process must be completed and all comments on plan revisions provided within ten (10) City working days from resubmission by Developer that is responsive and includes written responses to all City comments; (iv) the City’s third and final plan check and plan approval must occur within ten (10) City working days from resubmission by Developer upon confirmation that all applicable project conditions, codes, regulations and engineering standards are met. Non-compliance shall require subsequent review; (v) following City plan approval and during construction, the City shall have one-half the time periods specified above in paragraphs (ii), (iii), and (iv) for any subsequent plan changes and the City shall have five (5) City working days to respond to Developer-required submittals of materials specifications to the City. City shall provide a deposit amount for plan check within three (3) City working days of receipt of an initial submittal.

As used in this Section, the number of “City working days” commences on the weekday following submission and excludes weekends and government holidays recognized by the City, and each specified period ends at 5:00 p.m. on the final day of the period. As of the writing of this Agreement, City Hall is closed every other Friday. For a week when City Hall is closed Friday, submittals must be delivered by noon on the Thursday of that week. If they are submitted after

noon, they will be treated as though submitted on the next weekday City Hall is open, generally a Monday.

7. Relationship to Lennar Assignment. Except for Sections 2, 4, and 6, and new Section 8.6.8 (Additional Sports Park Contribution) in Section 5, the amendments made in this Fourth Amendment to the Development Agreement are not applicable to Lennar.

8. Cooperation; Further Acts. Each party agrees to provide reasonable assistance to the other and cooperate to carry out the intent and fulfill the provisions of this Fourth Amendment. Each of the parties shall promptly execute and deliver all documents and perform all acts as necessary to carry out the matters contemplated by this Fourth Amendment.

9. Integration. This Fourth Amendment reflects the complete understanding of the parties with respect to the subject matter hereof. To the extent this Fourth Amendment conflicts with the Development Agreement, or any operating memorandum thereto, this Fourth Amendment supersedes the Development Agreement, the prior amendments thereto, and all operating memoranda. In all other respects, the parties hereto re-affirm and ratify all other provisions of the Development Agreement. From and after the Effective Date of this Fourth Amendment, whenever the term “Agreement” appears in the Development Agreement, it shall mean the Development Agreement as amended by the First Amendment, the Second Amendment, Third Amendment, and this Fourth Amendment. This Fourth Amendment shall be recorded against the Project Site following its full execution.

10. Effective Date. The effective date of this Fourth Amendment shall be the effective date of the City ordinance adopted to authorize approval and execution of this Fourth Amendment and will not go into effect unless and until all property owners vote in favor of changes to the Acquisition Agreement described in Section 2.A. of this Fourth Amendment.

11. Counterparts. This Fourth Amendment may be executed in counterparts, each of which shall be deemed an original, and all such counterparts, when taken together, shall constitute one agreement.

12. Authority. The person or persons executing this Fourth Amendment on behalf of the City, LLCB, and Lennar warrant and represent that they have the authority to execute this Fourth Amendment and the authority to bind the City, LLCB, and Lennar, as applicable, to the performance of their respective obligations hereunder.

**SIGNATURE PAGE
TO
FOURTH AMENDMENT
TO
DEVELOPMENT AGREEMENT**

IN WITNESS WHEREOF, the Parties have signed this Fourth Amendment, by and through the signatures of their authorized representatives as of the dates indicated below.

CITY OF SANTA PAULA,
a California municipal corporation

LIMONEIRA LEWIS COMMUNITY
BUILDERS, LLC,
a Delaware Limited Liability Company

By: _____
Dan Singer
City Manager

By: _____
Limoneira Authorized Agent

Date: _____

Date: _____

ATTEST:

By: _____
Lewis Authorized Agent

Julie Latshaw
City Clerk

Date: _____

Date: _____

APPROVED AS TO FORM:

LENNAR HOMES OF CALIFORNIA, LLC
a Delaware Limited Liability Company

Monica Castillo
City Attorney

By: _____

Its: _____

Date: _____

Date: _____

ATTACHMENT B

PLAN REVIEW, APPROVALS, AND PERMITS

Process Step	Timing Requirement
Initial Submission Completeness Review	Reviewed for completeness within 5 City working days ; deemed complete unless written notice of missing information is provided within that period.
First Plan Check	Completed within 20 City working days from a complete submission; comments limited to issues raised by City's comments, Developer's responses, or plan revisions.
Second Plan Check	Completed within 10 City working days from a responsive resubmission with written responses to all comments.
Third & Final Plan Check / Approval	Completed within 10 City working days from responsive resubmission confirming all conditions, codes, regulations, and standards are met. Non-compliance requires subsequent review.
Construction Phase – Subsequent Plan Changes / Approval	City has one-half of the time periods described above for First, Second, and Third/Final.
Construction Phase – Materials Specifications / Approval	City shall respond within 5 City working days to Developer-required materials specification submittals.
Plan Check Deposit	City shall provide a deposit amount for plan check within 5 City working days of receipt of an initial submittal.

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council Special

From: Christy Ramirez, Finance Director

Subject: RESOLUTION OF CONSIDERATION OF CHANGES – IMPROVEMENT
AREAS B AND C OF HARVEST CFD NO.1

Date: January 14, 2026

Agenda Item: 5.A

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt Resolution No. 7599 stating its consideration to amend the rate and method of apportionment and amend the services authorized to be funded for Improvement Area B and Improvement Area C of Harvest Community Facilities District No. 1.

BACKGROUND:

On November 21, 2016 the City Council adopted Resolution No. 7013 forming the Harvest Community Facilities District No. 1 and three Improvement Areas designated “A,” “B,” and “C” (corresponding to anticipated phases of development) to finance public infrastructure needs for The Harvest at Limoneira project and certain City services costs. Bonds, payable only from CFD No. 1 taxes and not from the general fund, have been issued for Improvement Area A to finance public infrastructure and taxes have been levied in that Improvement Area.

The proposal addressed herein would only affect Improvement Areas B and C of the CFD. Bond issuances similar to what has been done for Improvement Area A are expected in the future, with Council approval, to finance City infrastructure for the project. The infrastructure is to be built by the developer and, when complete, owned by the City.

The original Harvest CFD developer, Limoneira Lewis Community Builders, LLC, along with Lennar Homes, currently a home builder expected to build homes within Improvement Areas B and C, have requested an amendment to the Development Agreement applicable to the project, which is the subject of a separate item on the agenda.

In connection with the requested Development Agreement amendment, the developers have agreed to assist the City with long term funding of upkeep of the Sports Park, by allowing a portion of the facilities component of the special tax levy within Improvement Areas B and C to be used for an expanded list of City services, which would include City services for the Sports Park. The legal process for accomplishing this includes an amendment to the rate and method of apportionment of special taxes for Improvement Areas B and C to allow a future shift of a certain portion of the existing taxes to City services, and an official expansion of the services

authorized to be financed by Improvement Areas B and C to include maintenance and lighting of parks, parkways, streets, roads and open space.

ANALYSIS:

The Harvest at Limoneira project is approved for up to 2,050 residential dwelling units and up to 10,000 square foot of commercial use. Over 600 residential units within the first phase (Improvement Area A) are completed and sold, with the remaining 800+ residential units to be constructed in a second and third phase (Improvement Areas B and C).

The City in 2016 formed Harvest Community Facilities District No. 1 (“CFD”) to finance public infrastructure and certain City services costs. Bonds, payable only from the CFD taxes and not from the general fund, to finance public infrastructure for Improvement Area A were issued in 2020 and 2022. Bonds for each Improvement Area are and will be secured only by special taxes generated within that Improvement Area.

In connection with a developer requested fourth amendment to the Development Agreement for the project, City staff has received a request from the developer to amend the Rate and Method for Improvement Area B and Improvement Area C, primarily to allow a portion of the facilities component of the special tax in those Improvement Areas (and not in Improvement Area A) to be used to contribute to the cost of certain City services, including maintenance of the Sports Park.

The legal process for accomplishing that includes an amendment to the rate and method of apportionment of special taxes for Improvement Areas B and C to allow a portion of the taxes designated to pay for facilities to transition to and authorized to be used to contribute to the cost of City services, and an expansion of the services authorized to be financed by Improvement Areas B and C to include maintenance and lighting of parks, parkways, streets, roads and open space, which would include the Sports Park.

The proposed resolution is a first step required by law, to express the consideration and intent of the City to make the requested changes. The changes to each Rate and Method of Apportionment of Special Tax are set forth in the proposed amendment to rate and method of apportionment of the Special Tax set forth in Exhibit A and B to the resolution. The expanded list of authorized facilities and services is set forth in Exhibit C to the resolution. Additional Council actions (planned for February) are required to implement the change, in addition to a public hearing and landowner vote.

Legal Documents:

1) Amended Rate and method of apportionment for Improvement Areas B & C of the CFD and amended List of Facilities and Services. Each are in an exhibit to the resolution.

Next Steps in CFD Change Process:

Should the City Council adopt the proposed resolution, a final resolution will need to be adopted in February, following a public hearing and vote of the landowners (Limoneira Lewis Community Builders, LLC and Lennar Homes of California LLC) within Improvement Areas B and C, authorizing the changes. After the landowner vote, the changes become effective and the Council’s legal process is complete. Both landowner vote and adoption of the Resolution of Changes are being planned for the regularly scheduled Council meeting of February 18, 2026.

STRATEGIC PLAN:

None

FISCAL IMPACTS:

The proposal increases the special tax authorized for the CFD. The obligation to pay special taxes in each Improvement Area of the CFD is solely an obligation of the parcels within the Improvement Area. Neither the parcel owner as an individual nor the City is directly obligated to pay the taxes. The taxes are secured solely by a lien on the taxable parcels. When bonds are issued, debt service will be secured solely by a pledge of the special taxes on parcels within the respective Improvement Area. There is no obligation from the City to pay debt service on the bonds.

OPTIONS:

Council may not adopt the proposed resolution and provide staff with additional direction.

ATTACHMENTS:

[Att A - Reso Consid 2026 Harvest CFD Changes](#)

ATTACHMENT A

CITY COUNCIL OF THE CITY OF SANTA PAULA

RESOLUTION NO. 7599

**RESOLUTION OF CONSIDERATION TO AMEND AND RESTATE THE
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES AND
AUTHORIZED SERVICES FOR IMPROVEMENT AREA B AND IMPROVEMENT AREA C OF
HARVEST COMMUNITY FACILITIES DISTRICT NO. 1**

WHEREAS, pursuant to Resolution No. 7193 adopted on December 20, 2019, this Council formed Harvest Community Facilities District No. 1 (Public Facilities) (the "CFD") and Improvement Areas A, B, and C therein pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code; and

WHEREAS, pursuant to Resolution No. 7193 adopted on December 20, 2019, this Council approved (i) an amendment to the rate and method of apportionment of special taxes for Improvement Areas A, B and C, and (ii) an amendment to the maximum indebtedness limitation for Improvement Areas A, B and C to \$40,000,000 for Improvement Area A, \$41,000,000 for Improvement Area B, and \$32,000,000 for Improvement Area C; and

WHEREAS, pursuant to Resolution No. 7435 adopted on December 21, 2022, this Council approved (i) an amendment to the rate and method of apportionment of special taxes for Improvement Areas B and C, and (ii) an amendment to the maximum indebtedness limitation for Improvement Areas B and C to \$70,000,000 for Improvement Area B, and \$55,000,000 for Improvement Area C; and

WHEREAS, bonds have been issued for Improvement Area A as follows: \$19,380,000 in 2020, \$14,965,000 in 2022, and \$5,655,000 in 2023 and no additional bond issuances for Improvement Area A are expected; and

WHEREAS, the owners of all the land in Improvement Area B and Improvement Area C of the CFD ("Improvement Areas B and C") have requested (i) an additional amendment to the rate and method of apportionment of special taxes for Improvement Areas B and C, and (ii) an expansion of the services authorized to be financed by Improvement Areas B and C to include maintenance and lighting of parks, parkways, streets, roads and open space; and

WHEREAS, under the Act, this Council, as the legislative body for the CFD, is empowered with the authority to amend the rate and method of apportionment of special taxes for Improvement Areas B and C and authorized services, and now desires to undertake proceedings in accordance with the Act to so provide the amendments.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA PAULA RESOLVES AS FOLLOWS:

1. The boundaries of the CFD and Improvement Areas are as set forth in the map of the CFD heretofore recorded in the Ventura County Recorder's Office on November 4, 2016, at Book 20 of Maps of Assessment and Community Facilities Districts at Page 16, as Document No. 201611104-00163334-0 of Maps of Assessment and Community Facilities Districts, which boundaries have been approved and are the boundaries of the CFD.

2. Special taxes have been authorized to be levied within Improvement Areas B and C of the CFD, which have been officially formed by the City of Santa Paula. A lien of the special tax which is a continuing lien secures each annual levy of the special taxes and which shall continue in force and effect until the special taxes cease to be levied and a notice of cessation of special tax is recorded for each of Improvement Area B and Improvement Area C in accordance with section 53330.5 of the Government Code.

3. The existing rate, method of apportionment, and manner of collection of the authorized special taxes (the "Rate and Method of Apportionment of Special Taxes") for each of Improvement Areas B and C was approved at the time of formation as set forth as Exhibit B to each Notice of Special Tax Lien recorded in the office of the County Recorder of the County of Ventura as follows: for Improvement Area B: on December 20, 2016 as Document No. 20161220-00188686-0, and for Improvement Area C: on December 20, 2016 as Document No. 20161220-00188687-0; with such notice for both Improvement Areas amended (i) pursuant to an Amended Notice of Special Tax Lien recorded in the office of the County Recorder of the County of Ventura on April 1, 2019 as Document No. 2019-0401-00034399-0 and (ii) pursuant to an Amended Notice of Special Tax Lien recorded in the office of the County Recorder of the County of Ventura on April 17, 2023 as Document No. 2023000027148-0.

4. The owners of all the land in Improvement Areas B and C have requested a change in the special taxes and authorized services applicable to Improvement Areas B and C, and this Council hereby finds and determines that for the continued development of land within Improvement Areas B and C the public convenience and necessity require that it consider that the Rate and Method of Apportionment of Special Taxes for Improvement Areas B and C be changed, and that maintenance and lighting of parks, parkways, streets, roads and open space be authorized services applicable to Improvement Areas B and C.

5. This Council is considering that the changes to the Rate and Method of Apportionment of Special Taxes for Improvement Areas B and C be as set forth, respectively, in Exhibits A and B attached hereto and hereby incorporated herein.

6. This Council is considering that the changes to the services authorized to be financed by Improvement Areas B and C, to include maintenance and lighting of parks, parkways, streets, roads and open space, as set forth in Exhibit D attached hereto and hereby incorporated herein.

7. The Council hereby sets Wednesday, February 18, 2026, at 6:30 p.m. (which date is at least 30 days and not more than 60 days after the date of this Resolution) or as soon thereafter as possible in the City Council Chambers located at 970 Ventura Street, Santa Paula, California, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the changes to the special tax authorization of Improvement Areas B and C and the addition of maintenance and lighting of parks, parkways, streets, roads and open space as authorized services applicable to Improvement Areas B and C, and consider and finally determine whether the public interest, convenience and necessity require said changes and the levy of the CFD special taxes as changed on the property affected thereby.

8. The City Clerk is hereby directed to cause notice of said public hearing substantially in the form attached hereto as Exhibit C to be given by publication one time in a newspaper of general circulation in the area of the CFD affected by the changes to the special taxes. The publication of said notice shall be completed at least seven days before the date

herein set for said hearing. Said notice shall be substantially in the form specified in Section 53335 of the Act.

9. This Resolution shall take effect upon its adoption.

* * * * *

I hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Santa Paula, California, at a regularly scheduled meeting thereof, held on the ____ day of _____, 20____ by the following vote of the City Council:

AYES: COUNCILMEMBERS
NOES: COUNCILMEMBERS
ABSENT: COUNCILMEMBERS
ABSTAIN: COUNCILMEMBERS

Carlos Juarez, Mayor

ATTEST:

Julie Latshaw, City Clerk

APPROVED AS TO FORM:

Monica Castillo, City Attorney

APPROVED AS TO CONTENT:

Daniel Singer, City Manager

EXHIBIT A

**SECOND AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
(Improvement Area B)**

SECOND AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

CITY OF SANTA PAULA HARVEST COMMUNITY FACILITIES DISTRICT NO. 1 IMPROVEMENT AREA B

Special Taxes shall be levied on all Taxable Property within the boundaries of Improvement Area B of Harvest Community Facilities District No. 1 of the City of Santa Paula (“CFD No. 1 IA-B”) and collected each Fiscal Year commencing with Fiscal Year 2026-27, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 1 IA-B, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

1. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**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. An Acre means 43,560 square feet of land. If the preceding maps for a land area are not available, the Acreage of such land area shall be determined by the City Engineer.

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

“**Administrative Expense Requirement**” means an annual amount equal to \$35,000, or such lesser amount as may be designated by written instruction from an authorized representative of the City to the Fiscal Agent, to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses.

“**Administrative Expenses**” means the following actual or reasonably estimated costs related to the administration of CFD No. 1 IA-B including, but not limited to: the costs of preparing and computing the Annual Special Taxes (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 1 IA-B, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 1 IA-B, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 1 IA-B, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 1 IA-B, or any designee thereof related to an appeal of the Special Taxes; and the City’s annual administration fees and third party expenses.

Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 1 IA-B for any other administrative purposes of CFD No. 1 IA-B, including attorney's fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

"Annual Escalation Factor" means for Special Tax B, the greater of (i) two percent (2%), or (ii) the percentage change in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year.

"Annual Special Tax" means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

"Assessor" means the Assessor of the County of Ventura.

"Assessor's 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 Assessor designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means the number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax A" means the Special Tax of that name described in Section 3.A below.

"Assigned Special Tax B" means the Special Tax of that name described in Section 3.A below.

"Backup Special Tax A" means the Special Tax of that name described in Section 3.B below.

"Bonds" means any bonds or other debt of CFD No. 1 IA-B, whether in one or more series, secured by the levy of Special Taxes.

"Building Permit" means a building permit for construction of a Residential Unit or non-residential structure within CFD No. 1 IA-B issued by the City.

"Building Square Footage" means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by the CFD Administrator by reference to the Building Permit(s) issued for such Assessor's Parcel and/or by reference to appropriate records kept by the City. Building Square Footage for a Residential Unit will be based on the Building Permit(s) issued for such Residential Unit prior to it being classified as Occupied Residential Property and shall not change as a result of additions or modifications made to such Residential Unit after such classification as Occupied Residential Property.

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

“CFD Administrator” means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement, for preparing the Annual Special Tax roll and/or calculating the Backup Special Tax.

“CFD No. 1 IA-B” means the Harvest Community Facilities District No. 1 Improvement Area B of the City of Santa Paula.

“City” means the City of Santa Paula, California.

“City Council” means the City Council of the City acting as the legislative body of CFD No. 1 IA-B under the Act.

“Condominium” means a Residential Unit, whether attached or detached, meeting the statutory definition of a condominium contained in the California Civil Code Section 4285.

“Consumer Price Index” means the index published by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Los Angeles-Long Beach-Anaheim area.

“County” means the County of Ventura, California.

“Debt Service” means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1 of such Fiscal Year.

“Developed Property” means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to March 1 of the previous Fiscal Year. An Assessor’s Parcel classified as Developed Property but for which the Building Permit that caused such Assessor’s Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as Undeveloped Property, provided that the levy of the Annual Special Taxes after such reclassification shall not be less than 1.1 times the annual Debt Service less Administrative Expenses on all Outstanding Bonds. If Bonds have not been issued, an Assessor’s Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Undeveloped Property.

“Exempt Property” means for each Fiscal Year, all Assessor’s Parcels designated as being exempt from Special Taxes pursuant to Section 5 below.

“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 4285 that creates individual lots for which Building Permits may be issued without further subdivision.

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

“Indenture” means the indenture, fiscal agent 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.

“Land Use Class” means any of the classes listed in Tables 1 through 6 under Section 3A below.

“Lot(s)” means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued. Notwithstanding the foregoing, in the case of an individual legal lot created by such a Final Map upon which Condominiums are entitled to be developed but for which a Condominium plan has not been recorded, the number of Lots allocable to such legal lot for purposes of calculating the Backup Special Tax applicable to such Final Map shall equal the number of Condominiums which are permitted to be constructed on such legal lot as shown on such Final Map.

“Maximum Special Tax A” means for each Assessor’s Parcel, the maximum Special Tax, determined in accordance with Sections 3.C and 3.D below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

“Maximum Special Tax B” means for each Assessor’s Parcel, the maximum Special Tax, determined in accordance with Section 3.C below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

“Minimum Acreage” means the minimum taxable acreage for CFD No. 1 IA-B shall not be less than 24.10 Acres in Zone 1, 15.51 Acres in Zone 2, and 8.28 Acres in Zone 3.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more non-residential units or structures, assisted living or congregate care facilities.

“Occupied Residential Property” means all Assessors’ Parcels of Residential Property for which title is held by an end user (homeowner).

“Outstanding Bonds” means all Bonds, which are deemed to be outstanding under the Indenture.

“Partial Prepayment Amount” means the amount required to pay a portion of the Prepayable Portion of Special Tax A for an Assessor’s Parcel, as described in Section 8.B.

“Prepayable Portion of Special Tax A” shall have the meaning set forth in Section 8 below.

“Prepayment Amount” means the amount required to pay the Prepayable Portion of Special Tax A in full for an Assessor’s Parcel as described in Section 8.A below.

“Property Owner Association Property” means any Assessor’s Parcel within the boundaries of CFD No. 1 IA-B owned in fee by a property owner association, including any master or sub-association.

“Proportionately” or “Proportionate” means for Developed Property, that the ratio of the actual Special Tax levy to the applicable Assigned Special Tax or Backup Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property. **“Proportionately”** may similarly be applied to other categories of Taxable Property as listed in Section 3 below.

“Provisional Property” means all Assessor’s Parcels of Public Property, Property Owner Association Property or property, except as limited by the Act with respect to Public Property, that would otherwise be classified as Exempt Property pursuant to the provisions of Section 5, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required Minimum Acreage as set forth in Section 5.

“Public Property” means any property within the boundaries of CFD No. 1 IA-B, which is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use, provided further that, after the issuance of Bonds, if Taxable Property is acquired by such governmental entity through a negotiated transaction or by gift or devise it shall not be exempt from Special Tax A unless such tax attributable to such Taxable Property can be assigned to another Taxable Property.

“Public Services” means the services permitted under the Act including, without limitation, landscape maintenance, tree maintenance, street lights, and catch basins within the boundaries of CFD No. 1 IA-B, including water and electric utility costs.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more Residential Units, including Condominium Property but excluding Apartment Property.

“Residential Unit” means each separate residential dwelling unit that comprises an independent facility capable of conveyance, separate from adjacent residential dwelling units.

“Special Tax” or “Special Taxes” means any Special Tax A or Special Tax B authorized to be levied within CFD No. 1 IA-B pursuant to the Act and this Second Amended Rate and Method of Apportionment of Special Taxes.

“Special Tax A” means any special tax levied within CFD No. 1 IA-B pursuant to the Act and this Second Amended Rate and Method of Apportionment of Special Taxes to fund Special Tax Requirement for Facilities.

“Special Tax B” means any special tax levied within CFD No. 1 IA-B pursuant to the Act and this Second Amended Rate and Method of Apportionment of Special Taxes to fund Special Tax Requirement for Services.

“Special Tax Requirement” means in any Fiscal Year the sum of the Special Tax Requirement

for Facilities and the Special Tax Requirement for Services.

“Special Tax Requirement for Facilities” means that amount required in any Fiscal Year prior to the Transition Year for CFD No. 1 IA-B to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay Administrative Expenses associated with Special Tax A; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) accumulate funds to pay directly for acquisition or construction of facilities provided that the inclusion of such amount does not cause an increase in the Special Tax A to be levied on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Tax A amounts as determined by the CFD Administrator ; less (vii) a credit for funds available to reduce the Annual Special Tax A levy, as determined by the CFD Administrator pursuant to the Indenture. In the Transition Year and each Fiscal Year thereafter, the Special Tax Requirement for Facilities shall mean an amount equal to \$0. Notwithstanding the foregoing, if there are any delinquent Facilities Special Tax A to be collected from a Parcel in or after the Transition Year, such delinquent Special Tax A shall continue to be collected from the delinquent Parcel.

“Special Tax Requirement for Services” means the amount determined in any Fiscal Year for CFD No. 1 IA-B equal to (i) the budgeted costs of the Public Services during the current Fiscal Year, (ii) Administrative Expenses associated with Special Tax B as determined by the CFD Administrator, and (iii) pay for reasonably anticipated delinquent Special Tax B amounts; less (vii) a credit for funds available to reduce the Annual Special Tax B levy, as determined by the CFD Administrator, pursuant to the Indenture.

“State” means the State of California.

“Taxable Property” means all of the Assessor's Parcels within the boundaries of CFD No. 1 IA-B, which are not exempt from the levy of the Special Tax pursuant to law or Section 5 below.

“Transition Event” shall be deemed to have occurred when the Administrator determines that either of the following events has occurred: (i) all Bonds secured by the levy and collection of Special Tax A in CFD No. 1 IA-B have been fully repaid and all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, or (ii) the end of Fiscal Year 2067-68.

“Transition Year” means the first Fiscal Year in which the Administrator determines that the Transition Event occurred in the prior Fiscal Year.

“Trustee” means the trustee, fiscal agent, or paying agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Provisional Property.

“Zone(s)” means Zone 1, Zone 2, or Zone 3, as depicted in Exhibit B hereto.

“Zone 1” means the area within CFD No. 1 IA-B depicted as such in Exhibit B hereto.

“Zone 2” means the area within CFD No. 1 IA-B depicted as such in Exhibit B hereto.

“Zone 3” means the area within CFD No. 1 IA-B depicted as such in Exhibit B hereto.

2. LAND USE CLASSIFICATION

Each Fiscal Year, beginning with Fiscal Year 2026-27, each Assessor’s Parcel within CFD No. 1 IA-B shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall be classified as Developed Property, Undeveloped Property or Provisional Property and assigned to a Zone based on its geographical location, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Second Amended Rate and Method of Apportionment of Special Taxes determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor’s Parcel of Developed Property shall be classified as Residential Property or Non-Residential Property. Residential Property shall be classified according to its applicable Land Use Class based on its Building Square Footage.

3. SPECIAL TAX RATES

A. Assigned Special Taxes

1. Developed Property

Each Fiscal Year, for each Assessor’s Parcel of Developed Property within CFD No. 1 IA-B the CFD Administrator shall calculate the Assigned Special Tax A and the Assigned Special Tax B in accordance with this Section. The Assigned Special Tax rates applicable to each Land Use Type of Developed Property for Fiscal Year 2025-2026 for each Zone are set forth in Tables 1, 2 3, 4, 5, and 6 below.

Table 1

Assigned Special Tax Rates for Zone 1 (Prior to Transition Year)
Fiscal Year 2025-2026

Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax A Before Transition Year		Assigned Special Tax B Before Transition Year	
1	Residential Property	≤ 1,300	\$3,288.68	per Residential Unit	\$116.87	per Residential Unit
2	Residential Property	1,301 - 1,450	\$3,649.49	per Residential Unit	\$116.87	per Residential Unit
3	Residential Property	1,451 - 1,600	\$3,947.69	per Residential Unit	\$116.87	per Residential Unit
4	Residential Property	1,601 - 1,750	\$4,157.81	per Residential Unit	\$116.87	per Residential Unit
5	Residential Property	1,751 - 2,000	\$4,298.95	per Residential Unit	\$116.87	per Residential Unit
6	Residential Property	2,001 - 2,300	\$4,460.26	per Residential Unit	\$116.87	per Residential Unit
7	Residential Property	2,301 – 2,500	\$4,708.58	per Residential Unit	\$116.87	per Residential Unit
8	Residential Property	2,501 – 2,700	\$5,298.61	per Residential Unit	\$116.87	per Residential Unit
9	Residential Property	2,701 – 2,900	\$6,125.29	per Residential Unit	\$116.87	per Residential Unit
10	Residential Property	2,901 – 3,100	\$6,453.21	per Residential Unit	\$116.87	per Residential Unit
11	Residential Property	> 3,100	\$6,550.84	per Residential Unit	\$116.87	per Residential Unit
12	Non-Residential Property	NA	\$67,146	per Acre	\$780.38	per Acre

Table 2

Assigned Special Tax Rates for Zone 1 (In and After Transition Year)
Fiscal Year 2025-2026

Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax A In and After Transition Year		Assigned Special Tax B In and After Transition Year	
1	Residential Property	≤ 1,300	\$0	per Residential Unit	\$2,819.48	per Residential Unit
2	Residential Property	1,301 - 1,450	\$0	per Residential Unit	\$2,819.48	per Residential Unit
3	Residential Property	1,451 - 1,600	\$0	per Residential Unit	\$2,819.48	per Residential Unit
4	Residential Property	1,601 - 1,750	\$0	per Residential Unit	\$2,819.48	per Residential Unit
5	Residential Property	1,751 - 2,000	\$0	per Residential Unit	\$2,819.48	per Residential Unit
6	Residential Property	2,001 - 2,300	\$0	per Residential Unit	\$2,819.48	per Residential Unit
7	Residential Property	2,301 – 2,500	\$0	per Residential Unit	\$2,819.48	per Residential Unit
8	Residential Property	2,501 – 2,700	\$0	per Residential Unit	\$2,819.48	per Residential Unit
9	Residential Property	2,701 – 2,900	\$0	per Residential Unit	\$2,819.48	per Residential Unit
10	Residential Property	2,901 – 3,100	\$0	per Residential Unit	\$2,819.48	per Residential Unit
11	Residential Property	> 3,100	\$0	per Residential Unit	\$2,819.48	per Residential Unit
12	Non-Residential Property	NA	\$0	per Acre	\$32,616.25	per Acre

Table 3

**Assigned Special Tax Rates for Zone 2 (Prior to Transition Year)
Fiscal Year 2025-2026**

Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax A Before Transition Year	Assigned Special Tax B Before Transition Year
1	Residential Property	≤ 2,300	\$5,642.44 per Residential Unit	\$116.87 per Residential Unit
2	Residential Property	2,301 – 2,450	\$5,783.58 per Residential Unit	\$116.87 per Residential Unit
3	Residential Property	2,451 – 2,600	\$6,168.80 per Residential Unit	\$116.87 per Residential Unit
4	Residential Property	2,601 – 2,750	\$6,254.76 per Residential Unit	\$116.87 per Residential Unit
5	Residential Property	2,751 – 2,900	\$6,308.88 per Residential Unit	\$116.87 per Residential Unit
6	Residential Property	2,901 – 3,050	\$6,589.04 per Residential Unit	\$116.87 per Residential Unit
7	Residential Property	3,051 – 3,200	\$6,589.04 per Residential Unit	\$116.87 per Residential Unit
8	Residential Property	3,201 – 3,350	\$6,961.52 per Residential Unit	\$116.87 per Residential Unit
9	Residential Property	3,351 – 3,500	\$6,990.18 per Residential Unit	\$116.87 per Residential Unit
10	Residential Property	> 3,500	\$7,316.62 per Residential Unit	\$116.87 per Residential Unit
11	Non-Residential Property	NA	\$58,003 per Acre	\$780.38 per Acre

Table 4

**Assigned Special Tax Rates for Zone 2 (In and After Transition Year)
Fiscal Year 2025-2026**

Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax A In and After Transition Year	Assigned Special Tax B In and After Transition Year
1	Residential Property	≤ 2,300	\$0 per Residential Unit	\$2,819.48 per Residential Unit
2	Residential Property	2,301 – 2,450	\$0 per Residential Unit	\$2,819.48 per Residential Unit
3	Residential Property	2,451 – 2,600	\$0 per Residential Unit	\$2,819.48 per Residential Unit
4	Residential Property	2,601 – 2,750	\$0 per Residential Unit	\$2,819.48 per Residential Unit
5	Residential Property	2,751 – 2,900	\$0 per Residential Unit	\$2,819.48 per Residential Unit
6	Residential Property	2,901 – 3,050	\$0 per Residential Unit	\$2,819.48 per Residential Unit
7	Residential Property	3,051 – 3,200	\$0 per Residential Unit	\$2,819.48 per Residential Unit
8	Residential Property	3,201 – 3,350	\$0 per Residential Unit	\$2,819.48 per Residential Unit
9	Residential Property	3,351 – 3,500	\$0 per Residential Unit	\$2,819.48 per Residential Unit
10	Residential Property	> 3,500	\$0 per Residential Unit	\$2,819.48 per Residential Unit
11	Non-Residential Property	NA	\$0 per Acre	\$32,616.25 per Acre

Table 5

**Assigned Special Tax Rates for Zone 3 (Prior to Transition Year)
Fiscal Year 2025-2026**

Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax A Before Transition Year	Assigned Special Tax B Before Transition Year
1	Residential Property	≤ 2,200	\$5,122.45 per Residential Unit	\$116.87 per Residential Unit
2	Residential Property	2,201 – 2,350	\$5,433.38 per Residential Unit	\$116.87 per Residential Unit
3	Residential Property	2,351 – 2,500	\$5,683.83 per Residential Unit	\$116.87 per Residential Unit
4	Residential Property	2,501 – 2,650	\$5,782.52 per Residential Unit	\$116.87 per Residential Unit
5	Residential Property	2,651 – 2,800	\$5,824.97 per Residential Unit	\$116.87 per Residential Unit
6	Residential Property	2,801 – 2,950	\$5,978.85 per Residential Unit	\$116.87 per Residential Unit
7	Residential Property	2,951 – 3,100	\$6,105.13 per Residential Unit	\$116.87 per Residential Unit
8	Residential Property	> 3,100	\$6,301.45 per Residential Unit	\$116.87 per Residential Unit
9	Non-Residential Property	NA	\$57,579 per Acre	\$780.38 per Acre

Table 6

**Assigned Special Tax Rates for Zone 3 (In and After Transition Year)
Fiscal Year 2025-2026**

Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax A In and After Transition Year	Assigned Special Tax B In and After Transition Year
1	Residential Property	≤ 2,200	\$0 per Residential Unit	\$2,819.48 per Residential Unit
2	Residential Property	2,201 – 2,350	\$0 per Residential Unit	\$2,819.48 per Residential Unit
3	Residential Property	2,351 – 2,500	\$0 per Residential Unit	\$2,819.48 per Residential Unit
4	Residential Property	2,501 – 2,650	\$0 per Residential Unit	\$2,819.48 per Residential Unit
5	Residential Property	2,651 – 2,800	\$0 per Residential Unit	\$2,819.48 per Residential Unit
6	Residential Property	2,801 – 2,950	\$0 per Residential Unit	\$2,819.48 per Residential Unit
7	Residential Property	2,951 – 3,100	\$0 per Residential Unit	\$2,819.48 per Residential Unit
8	Residential Property	> 3,100	\$0 per Residential Unit	\$2,819.48 per Residential Unit
9	Non-Residential Property	NA	\$0 per Acre	\$32,616.25 per Acre

On each July 1, commencing July 1, 2026, the Assigned Special Tax A rates for Developed Property shown in Tables 1, 3 and 5, inclusive, shall be increased by two percent (2%) of the Assigned Special Tax A rates calculated for the prior Fiscal Year.

On each July 1, commencing July 1, 2026, the Assigned Special Tax B rates for Developed Property shown in Tables 1, 3 and 5 shall be adjusted by the Annual Escalation Factor.

On each July 1, commencing July 1, 2026, the Assigned Special Tax B rates for Developed Property shown in Tables 2, 4 and 6 shall be increased by two percent (2%) of the Assigned Special Tax B rates calculated for the prior Fiscal Year.

B. Backup Special Tax A for Developed Property

When a Final Map or a condominium plan is recorded, the Backup Special Tax A for Assessor's Parcels of Developed Property classified as Residential Property shall be determined as follows:

For each Assessor's Parcel of Residential Property or for each Assessor's Parcel of Undeveloped Property to be classified as Residential Property upon its development within the Final Map area, the Backup Special Tax A for Fiscal Year 2025-2026 shall be the rate per Lot calculated according to the following formula:

$$B = \frac{R \times A}{L}$$

The terms have the following meanings:

B = Backup Special Tax A per Lot

R = Backup Special Tax A rate per Acre prior to Transition Year: \$67,146 for Zone 1, \$58,003 for Zone 2, and \$57,579 for Zone 3 (in each case subject to annual escalation as described below). In and after the Transition Year: \$0 for Zone 1, \$0 for Zone 2, \$0 for Zone 3.

A = Acreage classified or to be classified as Residential Property in such Final Map. The land area applicable to a Condominium shall be computed from the Acreage of the Lot on which the Condominium is located, with the Acreage for such Lot allocated equally among all of the Condominiums located or to be located on such Lot.

L = For a Final Map, the number of Lots which are classified or to be classified as Residential Property.

Notwithstanding the foregoing, if Assessor's Parcels of Residential Property, Non-Residential Property or Undeveloped Property for which the Backup Special Tax A has

been determined are subsequently changed or modified by recordation of a new or amended Final Map, then Backup Special Tax A applicable to such Assessor's Parcels shall be recalculated to equal the total amount of Backup Special Tax A that would have been generated if such change did not take place.

On each July 1, commencing July 1, 2026, Backup Special Tax A rates applicable to each Assessor's Parcel of Taxable Property for each Zone shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

The Backup Special Tax A shall be \$0 in the Transition Year and each subsequent Fiscal Year.

C. Maximum Special Taxes for Developed Property

- a. The Maximum Special Tax A for each Assessor's Parcel classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax A set forth in Section A or (ii) the application of the Backup Special Tax A set forth in Section B.
- b. The Maximum Special Tax B for each Assessor's Parcel classified as Developed Property in any Fiscal Year shall be equal to the Assigned Special Tax B set forth in Section 3.A.1. above.

D. Maximum Special Tax A for Provisional Property and Undeveloped Property

Prior to the Transition Year, the Maximum Special Tax A for Provisional Property and Undeveloped Property in Fiscal Year 2025-26 shall be \$67,146 per Acre for Assessor's Parcels within Zone 1, \$58,003 per Acre for Assessor's Parcels within Zone 2, and \$57,579 per Acre for Assessor's Parcels within Zone 3 (in each case subject to annual escalation as described below). In and after the Transition Year, the Maximum Special Tax A for Provisional Property and Undeveloped Property shall be \$0 per Acre for Assessor's Parcels within Zone 1, \$0 per Acre for Assessor's Parcels within Zone 2, and \$0 per Acre for Assessor's Parcels within Zone 3.

On each July 1, commencing July 1, 2026, the Maximum Special Tax A for Provisional Property and Undeveloped Property in each Zone shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

Assessors' Parcels that are classified as Undeveloped Property, Taxable Public Property, or Provisional Property shall not be subject to Special Tax B.

E. Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax that may be levied on an Assessor's Parcel

shall only be levied on the Residential Property Land Use Class located on that Assessor's Parcel.

F. Administrative Special Tax Reduction and Effective Tax Rate to Pay Bonds

Prior to the issuance of Bonds, the Assigned Special Tax A rates, Backup Special Tax A rates, and Maximum Special Tax A rates (collectively the "Special Tax Rates") for Taxable Property may be reduced in accordance with, and subject to the conditions set forth in this paragraph. Upon the City's receipt of a written request including written consent of 100% of the owners of Taxable Property within CFD No. 1 IA-B and the CFD Administrator, the Special Tax Rates for Taxable Property may be reduced to a level which will provide not less than the sum of estimated Administrative Expense Requirement and one hundred ten percent (110%) of the estimated debt service with respect to the amount of Bonds requested to be issued in such written request. If it is reasonably determined by the CFD Administrator that the total effective tax rate based on the average actual or projected sales price per Residential Unit exceeds 1.9%, the Special Tax Rates may be reduced to achieve a total tax rate on Residential Property of 1.9% with the written consent of 100% of the owners of Taxable Property within CFD No. 1 IA-B, and the CFD Administrator. It shall not be required that reductions among each "Building Square Footage" range of Residential Property be proportional. Additionally, the "CFD Public Facilities Costs" amount in Section 8 shall be reduced commensurate with any reductions to the Special Tax Rates pursuant to this paragraph, as reasonably determined by the CFD Administrator. A certificate in substantially the form attached hereto as Exhibit "A" shall be used for purposes of evidencing the required written consent and effectuating the reduction to the Special Tax Rates. The reductions permitted pursuant to this paragraph shall be reflected in an amended Notice of Special Tax Lien which the City shall cause to be recorded.

Notwithstanding the authorized amount of Special Tax Rates for Taxable Property set forth herein and/or limited pursuant to the preceding paragraph, prior to each issuance of a series of Bonds, the City shall cause the special tax consultant to the City or the underwriter for the Bonds to determine the amount of annual Special Tax A on Residential Property needed to provide 110% coverage of debt service on the Bonds to be issued and Outstanding Bonds, if any, due in the first full Bond Year (as defined in Fiscal Agent Agreement or Indenture for the Bonds) of the Bonds to be issued that begins in the corresponding Fiscal Year (the "Coverage Ratio"). For each issuance of Bonds, the par amount shall be limited to an amount that would result in the annual Special Tax levy during such year of calculation, to meet or exceed the Coverage Ratio.

4. METHOD OF APPORTIONMENT

1. For each Fiscal Year, commencing Fiscal Year 2026-2027, the CFD Administrator shall levy the Special Tax A on all Taxable Property in accordance with the following steps:

Step 1: The Special Tax A shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax A to satisfy the Special Tax Requirement for Facilities;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after Step 1 has been completed, the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax A for Undeveloped Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then the Special Tax A amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax A for Developed Property;

Step 4: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the Maximum Special Tax A for Provisional Property.

Notwithstanding the above, under no circumstances will the Special Tax A levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax applicable to any other Assessor's Parcel within CFD No. 1 IA-B by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

2. Commencing Fiscal Year 2026-2027 and for each subsequent Fiscal Year, the CFD Administration shall levy a Special Tax B to finance Public Services Proportionately on all Developed Property within CFD No. 1 IA-B up to 100% of the applicable Maximum Special Tax B for such Fiscal Year to satisfy the Special Tax Requirement for Services.

5. EXEMPTIONS

The City shall classify as Exempt Property (i) except for the application of Step 4 of Section 4, Public Property, subject to exceptions in the definitions, (ii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iii) Except for application of Step 4 of Section 4, Assessor's Parcels used exclusively as Property Owner Association Property, or (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property within a Zone to less than the Minimum Acreage in such Zone. Notwithstanding the above, the City Council shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of Taxable Property within a Zone to less than the Minimum Acreage in such Zone. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of Taxable Property within any Zone to less than the Minimum Acreage for such Zone will continue to be classified as Undeveloped Property and will continue to be subject to Special Taxes accordingly.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section 5 above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

6. APPEALS

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation, the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,
- (ii) Require CFD No. 1 IA-B to reimburse the landowner for the amount of the overpayment to the extent of available CFD No. 1 IA-B funds, or
- (iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the City Council. Upon the receipt of such notice, the City Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the City Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

The City Council or designee thereof shall interpret this Second Amended Rate and Method of Apportionment of Special Taxes for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Council or designee shall be final and binding as to all persons.

7. COLLECTION OF SPECIAL TAXES

Collection of the Annual Special Tax shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the City Council may provide for (i) other means of collecting the Special Tax, including direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Annual Special Taxes.

8. PREPAYMENT OF SPECIAL TAX A

A. Prepayment of the Prepayable Portion of Special Tax A

Prior to the Transition Year, property owners may prepay and satisfy a percentage of the Special Tax A (“Prepayable Portion of Special Tax A”) by a cash settlement with the City as permitted under Government Code Section 53344. No portion of Special Tax A greater than the Prepayable Portion of Special Tax A may be prepaid. The Prepayable Portion of Special Tax A for each Land Use Class in each Zone is shown in Tables 7 through 9 below.

Table 7

Prepayable Portion of Special Tax A for Zone 1

Land Use Class	Land Use Type	Building Square Footage	Prepayable Portion of Special Tax A
1	Residential Property	≤ 1,300	14%
2	Residential Property	1,301 - 1,450	23%
3	Residential Property	1,451 - 1,600	29%
4	Residential Property	1,601 - 1,750	32%
5	Residential Property	1,751 - 2,000	34%
6	Residential Property	2,001 - 2,300	37%
7	Residential Property	2,301 – 2,500	40%
8	Residential Property	2,501 – 2,700	47%
9	Residential Property	2,701 – 2,900	54%
10	Residential Property	2,901 – 3,100	56%
11	Residential Property	> 3,100	57%

Table 8

Prepayable Portion of Special Tax A for Zone 2

Land Use Class	Land Use Type	Building Square Footage	Prepayable Portion of Special Tax A
1	Residential Property	≤ 2,300	50%
2	Residential Property	2,301 – 2,450	51%
3	Residential Property	2,451 – 2,600	54%
4	Residential Property	2,601 – 2,750	55%
5	Residential Property	2,751 – 2,900	55%
6	Residential Property	2,901 – 3,050	57%
7	Residential Property	3,051 – 3,200	57%
8	Residential Property	3,201 – 3,350	59%
9	Residential Property	3,351 – 3,500	60%
10	Residential Property	> 3,500	61%

Table 9

Prepayable Portion of Special Tax A for Zone 3

Land Use Class	Land Use Type	Building Square Footage	Prepayable Portion of Special Tax A
1	Residential Property	≤ 2,200	45%
2	Residential Property	2,201 – 2,350	48%
3	Residential Property	2,351 – 2,500	50%
4	Residential Property	2,501 – 2,650	51%
5	Residential Property	2,651 – 2,800	52%
6	Residential Property	2,801 – 2,950	53%
7	Residential Property	2,951 – 3,100	54%
8	Residential Property	> 3,100	55%

The following definitions apply to this Section 8:

“CFD Public Facilities Costs” means \$46,000,000, which shall increase by the Annual Escalation Factor on January 1, 2026 and on each January 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the facilities to be financed under the Act and financing program for CFD No. 1 IA-B, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds).

“Construction Fund” means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the facilities or pay fees authorized to be funded by CFD No. 1 IA-B.

“Future Facilities Costs” means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund, and (iii) monies currently on deposit in an escrow or other designated fund that are expected to be available to finance CFD Public Facilities Costs.

“Outstanding Bonds” means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax prepayments.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

The Prepayable Portion of Special Tax A applicable to an Assessor’s Parcel of Developed Property, or Undeveloped Property for which a Building Permit has been issued may be prepaid and the obligation to pay the Prepayable Portion of Special Tax for such Assessor’s Parcel satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment. An owner of an Assessor’s Parcel eligible to prepay the Prepayable Portion of Special Tax A shall provide the CFD Administrator with written notice of intent to prepay and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor’s Parcel within thirty (30) days of the request and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for the CFD No. 1 IA-B Bonds to be redeemed with the proceeds of such prepaid Special Tax A, unless a shorter period is acceptable to the Trustee and the City.

The Prepayment Amount (defined below) shall be calculated for each applicable Assessor’s Parcel or group of Assessor’s Parcels as summarized below (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Future Facilities Prepayment Amount
plus Defeasance Amount
plus Prepayment Administrative Fees and Expenses
less Reserve Fund Credit
less Capitalized Interest Credit
Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined in Step 14 below) shall be calculated as follows:

Step No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax A and multiply this amount by the Prepayable Portion of Special Tax A for the subject property. For Assessor's Parcels of Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax A for that Assessor's Parcel as though it was already designated as Developed Property and multiply this amount by the Prepayable Portion of Special Tax A, based upon the Building Permit which has already been issued for that Assessor's Parcel.
3. Divide the amount computed pursuant to paragraph 2 by the total expected Maximum Special Tax A revenue for CFD No. 1 IA-B assuming all Building Permits have been issued (build-out) within CFD No. 1 IA-B, excluding any Assessor's Parcels for which Special Tax A has been previously prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable parcels (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").
6. Compute the Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid, which shall not be less than \$0 (the "Future Facilities Prepayment Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the expected redemption date for the Outstanding Bonds which, depending on the Indenture, may be as early as the next interest payment date.

9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
10. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the “Defeasance Amount”).
11. Calculate the administrative fees and expenses of CFD No. 1 IA-B, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 1 IA-B, and the costs of recording any notices to evidence the prepayment and the redemption (the “Prepayment Administrative Fees”).
12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment calculation date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “Reserve Fund Credit”). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement after taking into account such prepayment.
13. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the “Capitalized Interest Credit”).
14. The amount to prepay Special Tax A is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the “Prepayment Amount”).
15. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant to paragraph 7 shall be deposited

into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 1 IA-B.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of CFD No. 1 IA-B Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to redeem CFD No. 1 IA-B Bonds to be used with the next prepayment of CFD No. 1 IA-B Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Prepayable Portion of Special Tax A is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the City Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Prepayable Portion of Special Tax A and that a portion of the Special Tax A with respect to such Assessor's Parcel, equal to the inverse of the Prepayable Portion of Special Tax A (1 – Prepayable Portion of Special Tax A), shall continue to be levied, through the Fiscal Year in which the Transition Event occurs, on such Assessor's Parcel pursuant to Section 4.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less the Administrative Expense Requirement that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

B. Partial Prepayment of the Prepayable Portion of Special Tax A

The Prepayable Portion of Special Tax A on an Assessor's Parcel of Developed Property or Undeveloped Property for which a Building Permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section 8.A.; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE - A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section 8.A

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Prepayable Portion of Special Tax A

A = the Prepayment Administrative Fees and Expenses from Section 8.A

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Prepayable Portion of Special Tax A, (ii) the percentage by which the Prepayable Portion of Special Tax A shall

be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Prepayable Portion of Special Tax A for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section 8.A., and (ii) indicate in the records of CFD No. 1 IA-B that there has been a partial prepayment of the Prepayable Portion of Special Tax A and that a portion of the Special Tax A with respect to such Assessor's Parcel, equal to the outstanding percentage of the Maximum Special Tax A (as calculated by the Special Tax Administrator in accordance with this Section), shall continue to be levied on such Assessor's Parcel through the Fiscal Year in which the Transition Event occurs.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less the Administrative Expense Requirement that may be levied on Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

9. TERM OF SPECIAL TAX

Special Tax A shall be levied until the earlier of (i) the Transition Year or (ii) the end of Fiscal Year 2067-68. Special Tax B shall be levied in perpetuity.

10. INTERPRETATIONS AND ADJUSTMENTS

Interpretations may be made by the City, without Resolution or Ordinance of the City Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to CFD No. 1 IA-B.

Without City Council approval, the Administrator may make minor, non-substantive administrative and technical changes to the provisions of this document that do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

The City, upon request of an owner of land within CFD No. 1 IA-B which is not Developed Property, may also amend this RMA to reallocate the Special Tax applicable to such owner's land in a manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land within CFD No. 1 IA-B, provided such amendment (i) only affects the such owner's land, (ii) does not reduce the total annual Maximum Special Tax A revenue for CFD No. 1 IA-B, and (iii) provides for a Special Tax distribution upon development of such land which is reasonably proportional and consistent with Special Tax rates provided for in Section 3 (including escalations thereto) for similar land uses and is compliant with the tax assessment loan exception contained in U.S. Treasury Regulation Section 1.141-5(d).

EXHIBIT A

CITY OF SANTA PAULA AND CFD NO. 1 IA-B CERTIFICATE

1. Pursuant to Section 3.F of the Second Amended and Restated Rate and Method of Apportionment of Special Taxes (the “RMA”), the City of Santa Paula (the “City”) and Improvement Area B of Community Facilities District No. 1 of the City of Santa Paula (“CFD No. 1 IA-B”) hereby agree to a reduction in the Special Tax A for Developed Property, Undeveloped Property, and/or Provisional Property:
 - (a) The information in the RMA relating to the Special Tax A for Developed Property, Undeveloped Property, and Provisional Property shall be modified as follows:

[insert Tables 1 through 6 showing revised Assigned Special Tax A rates for Developed Property, insert revised Backup Special Tax A rates for Developed Property in each Zone, and insert change to Maximum Special Tax A rates for Undeveloped Property and Provisional Property in each Zone]
 - (b) The CFD Public Facilities amount in Section 8 shall be changed to \$_____.
2. Special Tax A rates for Taxable Property may only be modified prior to the issuance of the first series of Bonds.
3. Upon execution of the Certificate by the City and CFD No. 1 IA-B the City shall cause an amended Notice of Special Tax Lien to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledges, on behalf of the City of Santa Paula and CFD No. 1 IA-B, receipt of this Certificate and modification of the RMA as set forth in this Certificate.

CITY OF SANTA PAULA

By: _____ Date: _____

CFD Administrator

COMMUNITY FACILITIES DISTRICT NO. 1, IMPROVEMENT AREA B,
OF THE CITY OF SANTA PAULA

By: _____ Date: _____

EXHIBIT B
ZONE DESCRIPTIONS

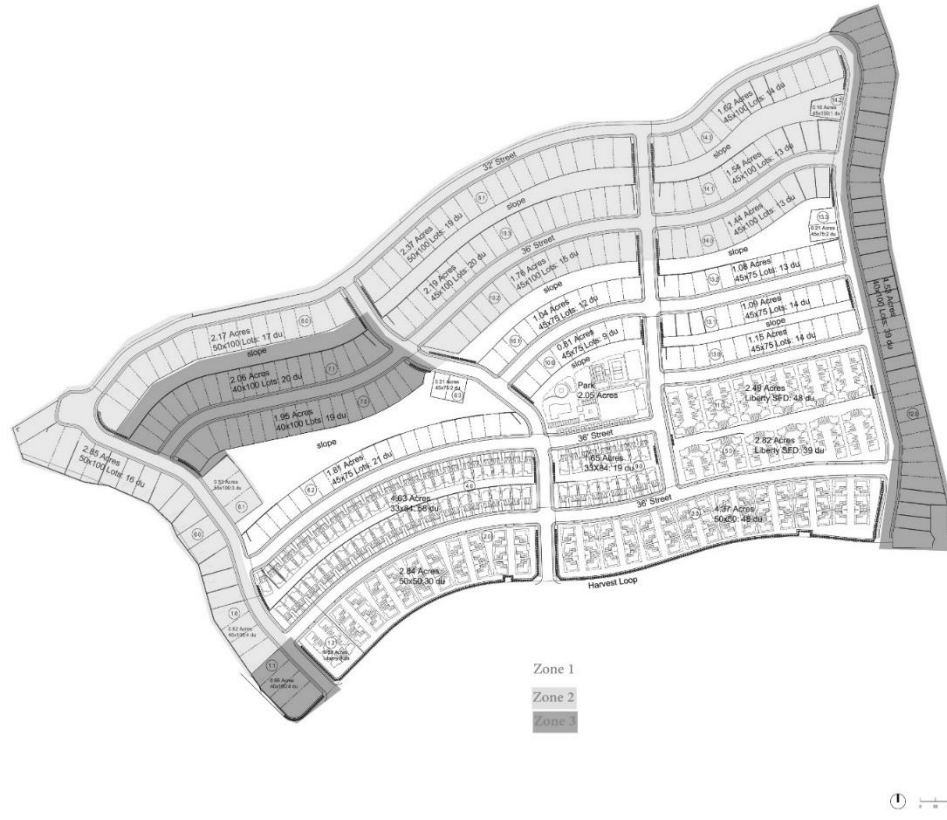


EXHIBIT B

**SECOND AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
(Improvement Area C)**

SECOND AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

CITY OF SANTA PAULA HARVEST COMMUNITY FACILITIES DISTRICT NO. 1 IMPROVEMENT AREA C

Special Taxes shall be levied on all Taxable Property within the boundaries of Improvement Area C of Harvest Community Facilities District No. 1 of the City of Santa Paula (“CFD No. 1 IA-C”) and collected each Fiscal Year commencing with Fiscal Year 2026-27, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 1 IA-C, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

1. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**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. An Acre means 43,560 square feet of land. If the preceding maps for a land area are not available, the Acreage of such land area shall be determined by the City Engineer.

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

“**Administrative Expense Requirement**” means an annual amount equal to \$35,000, or such lesser amount as may be designated by written instruction from an authorized representative of the City to the Fiscal Agent, to be allocated as the first priority of Special Taxes received each Fiscal Year for the payment of Administrative Expenses.

“**Administrative Expenses**” means the following actual or reasonably estimated costs related to the administration of CFD No. 1 IA-C including, but not limited to: the costs of preparing and computing the Annual Special Taxes (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 1 IA-C, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 1 IA-C, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 1 IA-C, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 1 IA-C, or any designee thereof related to an appeal of the Special Taxes; and the City’s annual administration fees and third party expenses.

Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 1 IA-C for any other administrative purposes of CFD No. 1 IA-C, including attorney's fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

"Annual Escalation Factor" means for Special Tax B, the greater of (i) two percent (2%), or (ii) the percentage change in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year.

"Annual Special Tax" means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

"Assessor" means the Assessor of the County of Ventura.

"Assessor's 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 Assessor designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means the number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax A" means the Special Tax of that name described in Section 3.A below.

"Assigned Special Tax B" means the Special Tax of that name described in Section 3.A below.

"Attached Condominium" means a Residential Unit that shares one or more walls with adjacent Residential Units, meeting the statutory definition of a condominium contained in the California Civil Code Section 4285.

"Backup Special Tax A" means the Special Tax of that name described in Section 3.B below.

"Bonds" means any bonds or other debt of CFD No. 1 IA-C, whether in one or more series, secured by the levy of Special Taxes.

"Building Permit" means a building permit for construction of a Residential Unit or non-residential structure within CFD No. 1 IA-C issued by the City.

"Building Square Footage" means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by the CFD Administrator by reference to the Building Permit(s) issued for such Assessor's Parcel and/or by reference to appropriate records kept by the City. Building Square Footage for a Residential Unit will be based on the Building Permit(s) issued for such Residential Unit prior to it being classified as Occupied Residential Property, and shall not change as a result of additions or modifications made to such Residential Unit after such classification as Occupied Residential Property.

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

“CFD Administrator” means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement, for preparing the Annual Special Tax roll and/or calculating the Backup Special Tax.

“CFD No. 1 IA-C” means the Harvest Community Facilities District No. 1 Improvement Area C of the City of Santa Paula.

“City” means the City of Santa Paula, California.

“City Council” means the City Council of the City acting as the legislative body of CFD No. 1 IA-C under the Act.

“Condominium” means a Residential Unit, whether attached or detached, meeting the statutory definition of a condominium contained in the California Civil Code Section 4285.

“Consumer Price Index” means the index published by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Los Angeles-Long Beach-Anaheim area.

“County” means the County of Ventura, California.

“Debt Service” means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1 of such Fiscal Year.

“Detached Condominium” means a Residential Unit that does not share walls with adjacent Residential Units, meeting the statutory definition of a condominium contained in the California Civil Code Section 4285.

“Developed Property” means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to March 1 of the previous Fiscal Year. An Assessor’s Parcel classified as Developed Property but for which the Building Permit that caused such Assessor’s Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as Undeveloped Property, provided that the levy of the Annual Special Tax after such reclassification shall not be less than 1.1 times the annual Debt Service less Administrative Expenses on all Outstanding Bonds. If Bonds have not been issued, an Assessor’s Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Undeveloped Property.

“Exempt Property” means for each Fiscal Year, all Assessor’s Parcels designated as being exempt from Special Taxes pursuant to Section 5 below.

“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 4285 that creates individual lots for which Building Permits may be issued without further subdivision.

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

“Indenture” means the indenture, fiscal agent 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.

“Land Use Class” means any of the classes listed in Tables 1 and 2 under Section 3A below.

“Lot(s)” means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued. Notwithstanding the foregoing, in the case of an individual legal lot created by such a Final Map upon which Condominiums are entitled to be developed but for which a Condominium plan has not been recorded, the number of Lots allocable to such legal lot for purposes of calculating the Backup Special Tax applicable to such Final Map shall equal the number of Condominiums which are permitted to be constructed on such legal lot as shown on such Final Map.

“Maximum Special Tax A” means for each Assessor’s Parcel, the maximum Special Tax, determined in accordance with Sections 3.C and 3.D below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

“Maximum Special Tax B” means for each Assessor’s Parcel, the maximum Special Tax, determined in accordance with Section 3.C below, which may be levied in a given Fiscal Year on such Assessor’s Parcel of Taxable Property.

“Minimum Acreage” means the minimum taxable acreage for CFD No. 1 IA-C shall not be less than 31.98 acres.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more non-residential units or structures, assisted living or congregate care facilities.

“Occupied Residential Property” means all Assessors’ Parcels of Residential Property for which title is held by an end user (homeowner).

“Outstanding Bonds” means all Bonds, which are deemed to be outstanding under the Indenture.

“Partial Prepayment Amount” means the amount required to pay a portion of the Prepayable Portion of Special Tax A for an Assessor’s Parcel, as described in Section 8.B.

“Prepayable Portion of Special Tax A” shall have the meaning set forth in Section 8 below.

“Prepayment Amount” means the amount required to pay the Prepayable Portion of Special Tax in full for an Assessor’s Parcel as described in Section 8.A below.

“Property Owner Association Property” means any Assessor’s Parcel within the boundaries of CFD No. 1 IA-C owned in fee by a property owner association, including any master or sub-association.

“Proportionately” or “Proportionate” means for Developed Property, that the ratio of the actual Special Tax levy to the applicable Assigned Special Tax or Backup Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property. **“Proportionately”** may similarly be applied to other categories of Taxable Property as listed in Section 3 below.

“Provisional Property” means all Assessor’s Parcels of Public Property, Property Owner Association Property or property, except as limited by the Act with respect to Public Property, that would otherwise be classified as Exempt Property pursuant to the provisions of Section 5, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required Minimum Acreage as set forth in Section 5.

“Public Property” means any property within the boundaries of CFD No. 1 IA-C, which is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use, provided further that, after the issuance of Bonds, if Taxable Property is acquired by such governmental entity through a negotiated transaction or by gift or devise it shall not be exempt from Special Tax A unless such tax attributable to such Taxable Property can be assigned to another Taxable Property.

“Public Services” means the services permitted under the Act including, without limitation, landscape maintenance, tree maintenance, street lights, and catch basins within the boundaries of CFD No. 1 IA-C, including water and electric utility costs.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more Residential Units, including Condominium Property.

“Residential Unit” means each separate residential dwelling unit that comprises an independent facility capable of conveyance, separate from adjacent residential dwelling units.

“Single Family Detached Property” means all Assessor’s Parcels of Residential Property, excluding Condominium Property.

“Special Tax” or “Special Taxes” means any Special Tax A or Special Tax B authorized to be levied within CFD No. 1 IA-C pursuant to the Act and this Second Amended Rate and Method of Apportionment of Special Taxes.

“Special Tax A” means any special tax levied within CFD No. 1 IA-C pursuant to the Act and this Second Amended Rate and Method of Apportionment of Special Taxes to fund Special Tax Requirement for Facilities.

“Special Tax B” means any special tax levied within CFD No. 1 IA-C pursuant to the Act and this Second Amended Rate and Method of Apportionment of Special Taxes to fund Special Tax Requirement for Services.

“Special Tax Requirement” means in any Fiscal Year the sum of the Special Tax Requirement for Facilities and the Special Tax Requirement for Services.

“Special Tax Requirement for Facilities” means that amount required in any Fiscal Year prior to the Transition Year for CFD No. 1 IA-C to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay Administrative Expenses associated with Special Tax A; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) accumulate funds to pay directly for acquisition or construction of facilities provided that the inclusion of such amount does not cause an increase in the Special Tax A to be levied on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Tax A amounts as determined by the CFD Administrator ; less (vii) a credit for funds available to reduce the Annual Special Tax A levy, as determined by the CFD Administrator pursuant to the Indenture. In the Transition Year and each Fiscal Year thereafter, the Special Tax Requirement for Facilities shall mean an amount equal to \$0. Notwithstanding the foregoing, if there are any delinquent Facilities Special Tax A to be collected from a Parcel in or after the Transition Year, such delinquent Special Tax A shall continue to be collected from the delinquent Parcel.

“Special Tax Requirement for Services” means the amount determined in any Fiscal Year for CFD No. 1 IA-C equal to (i) the budgeted costs of the Public Services during the current Fiscal Year, (ii) Administrative Expenses associated with Special Tax B as determined by the CFD Administrator, and (iii) pay for reasonably anticipated delinquent Special Tax B amounts; less (vii) a credit for funds available to reduce the Annual Special Tax B levy, as determined by the CFD Administrator, pursuant to the Indenture.

“State” means the State of California.

“Taxable Property” means all of the Assessor's Parcels within the boundaries of CFD No. 1 IA-C, which are not exempt from the levy of the Special Tax pursuant to law or Section 5 below.

“Transition Event” shall be deemed to have occurred when the Administrator determines that either of the following events has occurred: (i) all Bonds secured by the levy and collection of Special Tax A in CFD No. 1 IA-C have been fully repaid and all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, or (ii) the end of Fiscal Year 2072-73.

“Transition Year” means the first Fiscal Year in which the Administrator determines that the Transition Event occurred in the prior Fiscal Year.

“Trustee” means the trustee, fiscal agent, or paying agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Provisional Property.

2. LAND USE CLASSIFICATION

Each Fiscal Year, beginning with Fiscal Year 2026-27, each Assessor’s Parcel within CFD No. 1 IA-C shall be classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall be classified as Developed Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Second Amended Rate and Method of Apportionment of Special Taxes determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor’s Parcel of Developed Property shall be classified as Residential Property or Non-Residential Property. Residential Property shall be further classified as Single Family Detached Property, Detached Condominiums or Attached Condominiums and assigned to its applicable Land Use Class based on its Building Square Footage.

3. SPECIAL TAX RATES

B. Assigned Special Taxes

2. Developed Property

Each Fiscal Year, for each Assessor’s Parcel of Developed Property within CFD No. 1 IA-B the CFD Administrator shall calculate the Assigned Special Tax A and an Assigned Special Tax B in accordance with this Section. The Assigned Special Tax rates applicable to each Land Use Type of Developed Property for Fiscal Year 2025-2026 are set forth in Tables 1 and 2 below.

**Table 1
Assigned Special Tax Rates (Prior to Transition Year)
Fiscal Year 2025-2026**

Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax A	Assigned Special Tax B
1	Single Family Detached Property	≤ 2,200	\$5,116.08 per Residential Unit	\$116.87 per Residential Unit
2	Single Family Detached Property	2,201 – 2,300	\$5,298.61 per Residential Unit	\$116.87 per Residential Unit
3	Single Family Detached Property	2,301 - 2,400	\$5,473.71 per Residential Unit	\$116.87 per Residential Unit

4	Single Family Detached Property	2,401 – 2,500	\$5,642.44	per Residential Unit	\$116.87	per Residential Unit
5	Single Family Detached Property	2,501 - 2,600	\$5,796.32	per Residential Unit	\$116.87	per Residential Unit
6	Single Family Detached Property	2,601 - 2,700	\$5,817.54	per Residential Unit	\$116.87	per Residential Unit
7	Single Family Detached Property	2,701 – 2,800	\$5,957.62	per Residential Unit	\$116.87	per Residential Unit
8	Single Family Detached Property	2,801 – 2,900	\$6,083.91	per Residential Unit	\$116.87	per Residential Unit
9	Single Family Detached Property	2,901 – 3,000	\$6,210.19	per Residential Unit	\$116.87	per Residential Unit
10	Single Family Detached Property	3,001 – 3,100	\$6,225.05	per Residential Unit	\$116.87	per Residential Unit
11	Single Family Detached Property	3,101 – 3,200	\$6,287.66	per Residential Unit	\$116.87	per Residential Unit
12	Single Family Detached Property	3,201 – 3,300	\$6,322.68	per Residential Unit	\$116.87	per Residential Unit
13	Single Family Detached Property	3,301 – 3,400	\$6,365.13	per Residential Unit	\$116.87	per Residential Unit
14	Single Family Detached Property	> 3,400	\$6,441.53	per Residential Unit	\$116.87	per Residential Unit
15	Detached Condominiums	≤ 1,300	\$2,961.83	per Residential Unit	\$116.87	per Residential Unit
16	Detached Condominiums	1,301 - 1,400	\$3,206.97	per Residential Unit	\$116.87	per Residential Unit
17	Detached Condominiums	1,401 – 1,500	\$3,396.93	per Residential Unit	\$116.87	per Residential Unit
18	Detached Condominiums	1,501 - 1,600	\$3,558.23	per Residential Unit	\$116.87	per Residential Unit
19	Detached Condominiums	1,601 - 1,700	\$3,726.96	per Residential Unit	\$116.87	per Residential Unit
20	Detached Condominiums	1,701 – 1,800	\$3,888.27	per Residential Unit	\$116.87	per Residential Unit
21	Detached Condominiums	1,801 – 1,900	\$3,972.10	per Residential Unit	\$116.87	per Residential Unit
22	Detached Condominiums	1,901 – 2,000	\$4,105.81	per Residential Unit	\$116.87	per Residential Unit
23	Detached Condominiums	2,001 – 2,100	\$4,168.43	per Residential Unit	\$116.87	per Residential Unit
24	Detached Condominiums	2,101 – 2,200	\$4,210.87	per Residential Unit	\$116.87	per Residential Unit
25	Detached Condominiums	2,201 – 2,300	\$4,253.32	per Residential Unit	\$116.87	per Residential Unit
26	Detached Condominiums	> 2,300	\$4,399.77	per Residential Unit	\$116.87	per Residential Unit
27	Attached Condominiums	≤ 1,300	\$2,714.57	per Residential Unit	\$116.87	per Residential Unit
28	Attached Condominiums	1,301 - 1,400	\$2,941.67	per Residential Unit	\$116.87	per Residential Unit
29	Attached Condominiums	1,401 – 1,500	\$3,117.83	per Residential Unit	\$116.87	per Residential Unit
30	Attached Condominiums	1,501 - 1,600	\$3,266.40	per Residential Unit	\$116.87	per Residential Unit
31	Attached Condominiums	1,601 - 1,700	\$3,422.40	per Residential Unit	\$116.87	per Residential Unit
32	Attached Condominiums	1,701 – 1,800	\$3,572.03	per Residential Unit	\$116.87	per Residential Unit

33	Attached Condominiums	1,801 – 1,900	\$3,649.49	per Residential Unit	\$116.87	per Residential Unit
34	Attached Condominiums	1,901 – 2,000	\$3,772.59	per Residential Unit	\$116.87	per Residential Unit
35	Attached Condominiums	2,001 – 2,100	\$3,830.96	per Residential Unit	\$116.87	per Residential Unit
36	Attached Condominiums	2,101 – 2,200	\$3,870.23	per Residential Unit	\$116.87	per Residential Unit
37	Attached Condominiums	2,201 – 2,300	\$3,909.49	per Residential Unit	\$116.87	per Residential Unit
38	Attached Condominiums	> 2,300	\$4,045.32	per Residential Unit	\$116.87	per Residential Unit
39	Non-Residential Property	NA	\$63,937	per Acre	\$697.30	per Acre

Table 2
Assigned Special Tax Rates (In and After Transition Year)
Fiscal Year 2025-2026

Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax A		Assigned Special Tax B	
1	Single Family Detached Property	≤ 2,200	\$0	per Residential Unit	\$2,207.72	per Residential Unit
2	Single Family Detached Property	2,201 – 2,300	\$0	per Residential Unit	\$2,207.72	per Residential Unit
3	Single Family Detached Property	2,301 - 2,400	\$0	per Residential Unit	\$2,207.72	per Residential Unit
4	Single Family Detached Property	2,401 – 2,500	\$0	per Residential Unit	\$2,207.72	per Residential Unit
5	Single Family Detached Property	2,501 - 2,600	\$0	per Residential Unit	\$2,207.72	per Residential Unit
6	Single Family Detached Property	2,601 - 2,700	\$0	per Residential Unit	\$2,207.72	per Residential Unit
7	Single Family Detached Property	2,701 – 2,800	\$0	per Residential Unit	\$2,207.72	per Residential Unit
8	Single Family Detached Property	2,801 – 2,900	\$0	per Residential Unit	\$2,207.72	per Residential Unit
9	Single Family Detached Property	2,901 – 3,000	\$0	per Residential Unit	\$2,207.72	per Residential Unit
10	Single Family Detached Property	3,001 – 3,100	\$0	per Residential Unit	\$2,207.72	per Residential Unit
11	Single Family Detached Property	3,101 – 3,200	\$0	per Residential Unit	\$2,207.72	per Residential Unit
12	Single Family Detached Property	3,201 – 3,300	\$0	per Residential Unit	\$2,207.72	per Residential Unit
13	Single Family Detached Property	3,301 – 3,400	\$0	per Residential Unit	\$2,207.72	per Residential Unit
14	Single Family Detached Property	> 3,400	\$0	per Residential Unit	\$2,207.72	per Residential Unit
15	Detached Condominiums	≤ 1,300	\$0	per Residential Unit	\$2,207.72	per Residential Unit
16	Detached Condominiums	1,301 - 1,400	\$0	per Residential Unit	\$2,207.72	per Residential Unit
17	Detached Condominiums	1,401 – 1,500	\$0	per Residential Unit	\$2,207.72	per Residential Unit

18	Detached Condominiums	1,501 - 1,600	\$0	per Residential Unit	\$2,207.72	per Residential Unit
19	Detached Condominiums	1,601 - 1,700	\$0	per Residential Unit	\$2,207.72	per Residential Unit
20	Detached Condominiums	1,701 – 1,800	\$0	per Residential Unit	\$2,207.72	per Residential Unit
21	Detached Condominiums	1,801 – 1,900	\$0	per Residential Unit	\$2,207.72	per Residential Unit
22	Detached Condominiums	1,901 – 2,000	\$0	per Residential Unit	\$2,207.72	per Residential Unit
23	Detached Condominiums	2,001 – 2,100	\$0	per Residential Unit	\$2,207.72	per Residential Unit
24	Detached Condominiums	2,101 – 2,200	\$0	per Residential Unit	\$2,207.72	per Residential Unit
25	Detached Condominiums	2,201 – 2,300	\$0	per Residential Unit	\$2,207.72	per Residential Unit
26	Detached Condominiums	> 2,300	\$0	per Residential Unit	\$2,207.72	per Residential Unit
27	Attached Condominiums	≤ 1,300	\$0	per Residential Unit	\$2,207.72	per Residential Unit
28	Attached Condominiums	1,301 - 1,400	\$0	per Residential Unit	\$2,207.72	per Residential Unit
29	Attached Condominiums	1,401 – 1,500	\$0	per Residential Unit	\$2,207.72	per Residential Unit
30	Attached Condominiums	1,501 - 1,600	\$0	per Residential Unit	\$2,207.72	per Residential Unit
31	Attached Condominiums	1,601 - 1,700	\$0	per Residential Unit	\$2,207.72	per Residential Unit
32	Attached Condominiums	1,701 – 1,800	\$0	per Residential Unit	\$2,207.72	per Residential Unit
33	Attached Condominiums	1,801 – 1,900	\$0	per Residential Unit	\$2,207.72	per Residential Unit
34	Attached Condominiums	1,901 – 2,000	\$0	per Residential Unit	\$2,207.72	per Residential Unit
35	Attached Condominiums	2,001 – 2,100	\$0	per Residential Unit	\$2,207.72	per Residential Unit
36	Attached Condominiums	2,101 – 2,200	\$0	per Residential Unit	\$2,207.72	per Residential Unit
37	Attached Condominiums	2,201 – 2,300	\$0	per Residential Unit	\$2,207.72	per Residential Unit
38	Attached Condominiums	> 2,300	\$0	per Residential Unit	\$2,207.72	per Residential Unit
39	Non-Residential Property	NA	\$0	per Acre	\$32,665.80	per Acre

On each July 1, commencing July 1, 2026, the Assigned Special Tax A rates for Developed Property shown in Table 1, inclusive, shall be increased by two percent (2%) of the Assigned Special Tax A rates calculated for the prior Fiscal Year.

On each July 1, commencing July 1, 2026, the Assigned Special Tax B rates for Developed Property shown in Table 1 shall be adjusted by the Annual Escalation Factor.

On each July 1, commencing July 1, 2026, the Assigned Special Tax B rates for Developed Property shown in Table 2 shall be increased by two percent (2%) of the Assigned Special Tax B rates calculated for the prior Fiscal Year.

B. Backup Special Tax A for Developed Property

When a Final Map or a condominium plan is recorded the Backup Special Tax A for Assessor's Parcels of Developed Property classified as Residential Property shall be determined as follows:

For each Assessor's Parcel of Residential Property or for each Assessor's Parcel of Undeveloped Property to be classified as Residential Property upon its development within the Final Map area, the Backup Special Tax A for Fiscal Year 2025-2026 shall be the rate per Lot calculated according to the following formula:

$$B = \frac{R \times A}{L}$$

The terms have the following meanings:

B = Backup Special Tax A per Lot

R = Backup Special Tax A rate per Acre prior to Transition Year: \$63,937 (subject to annual escalation as described below). In and after the Transition Year: \$0.

A = Acreage classified or to be classified as Residential Property in such Final Map. The land area applicable to a Condominium shall be computed from the Acreage of the Lot on which the Condominium is located, with the Acreage for such Lot allocated equally among all of the Condominiums located or to be located on such Lot.

L = For a Final Map, the number of Lots which are classified or to be classified as Residential Property.

For each Assessor's Parcel of Developed Property classified as Non-Residential Property or for each Assessor's Parcel of Undeveloped Property to be classified as Non-Residential Property within the Final Map area, Backup Special Tax A for Fiscal Year 2025-26 shall be determined by multiplying \$63,937 by the total Acreage of any such Assessor's Parcel.

Notwithstanding the foregoing, if Assessor's Parcels of Residential Property, Non-Residential Property or Undeveloped Property for which the Backup Special Tax A has been determined are subsequently changed or modified by recordation of a new or amended Final Map, then Backup Special Tax A applicable to such Assessor's Parcels shall be

recalculated to equal the total amount of Backup Special Tax A that would have been generated if such change did not take place.

On each July 1, commencing July 1, 2026, Backup Special Tax A rates applicable to each Assessor's Parcel of Taxable Property shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

The Backup Special Tax A shall be \$0 in the Transition Year and each subsequent Fiscal Year.

C. Maximum Special Taxes for Developed Property

- c. The Maximum Special Tax A for each Assessor's Parcel classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax A set forth in Section A or (ii) the application of the Backup Special Tax A set forth in Section B.
- d. The Maximum Special Tax B for each Assessor's Parcel classified as Developed Property in any Fiscal Year shall be equal to the Assigned Special Tax B set forth in Section 3.A.1. above.

D. Maximum Special Tax A for Provisional Property and Undeveloped Property

Prior to the Transition Year, the Maximum Special Tax A for Provisional Property and Undeveloped Property in Fiscal Year 2025-26 shall be \$63,937 per Acre set forth in Section 3.A.1. above. In and after the Transition Year, the Maximum Special Tax A for Provisional Property and Undeveloped Property shall be \$0 per Acre.

On each July 1, commencing July 1, 2026, the Maximum Special Tax A for Provisional Property and Undeveloped Property shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

Assessors' Parcels that are classified as Undeveloped Property, Taxable Public Property, or Provisional Property shall not be subject to Special Tax B.

E. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax that may be levied on an Assessor's Parcel shall only be levied on the Residential Property Land Use Class located on that Assessor's Parcel.

F. Administrative Special Tax Reduction and Effective Tax Rate to Pay Bonds

Prior to the issuance of Bonds, the Assigned Special Tax A rates, Backup Special Tax A rates, and Maximum Special Tax A rates (collectively the “Special Tax Rates”) for Taxable Property may be reduced in accordance with, and subject to the conditions set forth in this paragraph. Upon the City’s receipt of a written request including written consent of 100% of the owners of Taxable Property within CFD No. 1 IA-C and the CFD Administrator, the Special Tax rates for Taxable Property may be reduced to a level which will provide not less than the sum of estimated Administrative Expense Requirement and one hundred ten percent (110%) of the estimated debt service with respect to the amount of Bonds requested to be issued in such written request. If it is reasonably determined by the CFD Administrator that the total effective tax rate based on the average actual or projected sales price per Residential Unit exceeds 1.9%, the Special Tax Rates may be reduced to achieve a total tax rate on Residential Property of 1.9% with the written consent of 100% of the owners of Taxable Property within CFD No. 1 IA-C, and the CFD Administrator. It shall not be required that reductions among each “Building Square Footage” range of Residential Property be proportional. Additionally, the “CFD Public Facilities Costs” amount in Section 8 shall be reduced commensurate with any reductions to the Special Tax Rates pursuant to this paragraph, as reasonably determined by the CFD Administrator. A certificate in substantially the form attached hereto as Exhibit “A” shall be used for purposes of evidencing the required written consent and effectuating the reduction to the Special Tax Rates. The reductions permitted pursuant to this paragraph shall be reflected in an amended Notice of Special Tax Lien which the City shall cause to be recorded.

Notwithstanding the authorized amount of Special Tax Rates on Taxable Property set forth herein and/or limited pursuant to the preceding paragraph, prior to each issuance of a series of Bonds, the City shall cause the special tax consultant to the City or the underwriter for the Bonds to determine the amount of annual Special Tax A on Residential Property needed to provide 110% coverage of debt service on the Bonds to be issued and Outstanding Bonds, if any, due in the first full Bond Year (as defined in Fiscal Agent Agreement or Indenture for the Bonds) of the Bonds to be issued that begins in the corresponding Fiscal Year (the “Coverage Ratio”). For each issuance of Bonds, the par amount shall be limited to an amount that would result in the annual Special Tax levy during such year of calculation, to meet or exceed the Coverage Ratio.

4. METHOD OF APPORTIONMENT

3. For each Fiscal Year, commencing Fiscal Year 2026-2027, the CFD Administrator shall levy the Special Tax A on all Taxable Property in accordance with the following steps:

Step 1: The Special Tax A shall be levied Proportionately on each Assessor’s Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax A to satisfy the Special Tax Requirement for Facilities;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after Step 1 has been completed, the Special Tax A shall be levied Proportionately

on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax A for Undeveloped Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then the Special Tax A amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax A for Developed Property.

Step 4: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Special Tax A shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the Maximum Special Tax A for Provisional Property;

Notwithstanding the above, under no circumstances will the Special Tax A levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax applicable to any other Assessor's Parcel within CFD No. 1 IA-C by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

4. Commencing Fiscal Year 2026-2027 and for each subsequent Fiscal Year, the CFD Administration shall levy a Special Tax B to finance Public Services Proportionately on all Developed Property within CFD No. 1 IA-C up to 100% of the applicable Maximum Special Tax B for such Fiscal Year to satisfy the Special Tax Requirement for Services.

5. EXEMPTIONS

The City shall classify as Exempt Property (i) except for the application of Step 4 of Section 4, Public Property, subject to exceptions in the definitions, (ii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iii) Except for application of Step 4 of Section 4, Assessor's Parcels used exclusively as Property Owner Association Property, or (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property to less than the Minimum Acreage. Notwithstanding the above, the City Council shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than the Minimum Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of Taxable Property to less than the Minimum Acreage will continue to be classified as Undeveloped Property and will continue to be subject to Special Taxes accordingly.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section 5 above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

6. APPEALS

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (iv) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,
- (v) Require CFD No. 1 IA-C to reimburse the landowner for the amount of the overpayment to the extent of available CFD No. 1 IA-C funds, or
- (vi) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the City Council. Upon the receipt of such notice, the City Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the City Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

The City Council or designee thereof shall interpret this Second Amended Rate and Method of Apportionment of Special Taxes for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Council or designee shall be final and binding as to all persons.

7. COLLECTION OF SPECIAL TAXES

Collection of the Annual Special Tax shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the City Council may provide for (i) other means of collecting the Special Tax, including direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Annual Special Taxes.

8. PREPAYMENT OF SPECIAL TAX A

C. Prepayment of the Prepayable Portion of Special Tax A

Prior to the Transition Year, property owners may prepay and satisfy a percentage of the Special Tax A (“Prepayable Portion of Special Tax A”) by a cash settlement with the City as permitted under Government Code Section 53344. No portion of Special Tax A greater than the Prepayable Portion of Special Tax A may be prepaid. The Prepayable Portion of Special Tax A for each Land Use Class is shown in Table 3 below.

Table 3

Prepayable Portion of Special Tax A

Land Use Class	Land Use Type	Building Square Footage	Prepayable Portion of Special Tax A
1	Single Family Detached Property	≤ 2,200	57%
2	Single Family Detached Property	2,201 – 2,300	58%
3	Single Family Detached Property	2,301 - 2,400	60%
4	Single Family Detached Property	2,401 – 2,500	61%
5	Single Family Detached Property	2,501 - 2,600	62%
6	Single Family Detached Property	2,601 - 2,700	62%
7	Single Family Detached Property	2,701 – 2,800	63%
8	Single Family Detached Property	2,801 – 2,900	64%
9	Single Family Detached Property	2,901 – 3,000	64%
10	Single Family Detached Property	3,001 – 3,100	65%
11	Single Family Detached Property	3,101 – 3,200	65%
12	Single Family Detached Property	3,201 – 3,300	65%
13	Single Family Detached Property	3,301 – 3,400	65%
14	Single Family Detached Property	> 3,400	66%
15	Detached Condominiums	≤ 1,300	25%
16	Detached Condominiums	1,301 - 1,400	31%
17	Detached Condominiums	1,401 – 1,500	35%
18	Detached Condominiums	1,501 - 1,600	38%
19	Detached Condominiums	1,601 - 1,700	41%
20	Detached Condominiums	1,701 – 1,800	43%
21	Detached Condominiums	1,801 – 1,900	44%
22	Detached Condominiums	1,901 – 2,000	46%
23	Detached Condominiums	2,001 – 2,100	47%
24	Detached Condominiums	2,101 – 2,200	48%

25	Detached Condominiums	2,201 – 2,300	48%
26	Detached Condominiums	> 2,300	50%
27	Attached Condominiums	≤ 1,300	19%
28	Attached Condominiums	1,301 - 1,400	25%
29	Attached Condominiums	1,401 – 1,500	29%
30	Attached Condominiums	1,501 - 1,600	32%
31	Attached Condominiums	1,601 - 1,700	35%
32	Attached Condominiums	1,701 – 1,800	38%
33	Attached Condominiums	1,801 – 1,900	40%
34	Attached Condominiums	1,901 – 2,000	41%
35	Attached Condominiums	2,001 – 2,100	42%
36	Attached Condominiums	2,101 – 2,200	43%
37	Attached Condominiums	2,201 – 2,300	44%
38	Attached Condominiums	> 2,300	45%
39	Non-Residential Property	NA	49%

The following definitions apply to this Section 8:

“CFD Public Facilities Costs” means \$33,000,000, which shall increase by the Annual Escalation Factor on January 1, 2026, and on each January 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the facilities to be financed under the Act and financing program for CFD No. 1 IA-C, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds).

“Construction Fund” means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the facilities or pay fees authorized to be funded by CFD No. 1 IA-C.

“Future Facilities Costs” means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund, and (iii) monies currently on deposit in an escrow or other designated fund that are expected to be available to finance CFD Public Facilities Costs.

“Outstanding Bonds” means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax prepayments.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

The Prepayable Portion of Special Tax A applicable to an Assessor's Parcel of Developed Property, or Undeveloped Property for which a Building Permit has been issued may be prepaid and the obligation to pay the Prepayable Portion of Special Tax for such Assessor's Parcel satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor's Parcel only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel eligible to prepay the Prepayable Portion of Special Tax A shall provide the CFD Administrator with written notice of intent to prepay, and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor's Parcel within thirty (30) days of the request, and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for the CFD No. 1 IA-C Bonds to be redeemed with the proceeds of such prepaid Special Tax A, unless a shorter period is acceptable to the Trustee and the City.

The Prepayment Amount (defined below) shall be calculated for each applicable Assessor's Parcel or group of Assessor's Parcels as summarized below (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Future Facilities Prepayment Amount
plus Defeasance Amount
plus Prepayment Administrative Fees and Expenses
less Reserve Fund Credit
less Capitalized Interest Credit
Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined in Step 14 below) shall be calculated as follows:

Step No.:

16. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.

17. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax A and multiply this amount by the Prepayable Portion of Special Tax A for the subject property. For Assessor's Parcels of Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax A for that Assessor's Parcel as though it was already designated as Developed Property and multiply this amount by the Prepayable Portion of Special Tax A, based upon the Building Permit which has already been issued for that Assessor's Parcel.

18. Divide the amount computed pursuant to paragraph 2 by the total expected Maximum Special Tax A revenue for CFD No. 1 IA-C assuming all Building Permits have been issued (build-out) within CFD No. 1 IA-C, excluding any Assessor's Parcels for which Special Tax A has been previously prepaid.
19. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable parcels (the "Bond Redemption Amount").
20. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").
21. Compute the Future Facilities Costs.
22. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid, which shall not be less than \$0 (the "Future Facilities Prepayment Amount").
23. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the expected redemption date for the Outstanding Bonds which, depending on the Indenture, may be as early as the next interest payment date.
24. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
25. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the "Defeasance Amount").
26. Calculate the administrative fees and expenses of CFD No. 1 IA-C, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 1 IA-C, and the costs of recording any notices to evidence the prepayment and the redemption (the "Prepayment Administrative Fees").

27. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment calculation date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “Reserve Fund Credit”). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement after taking into account such prepayment.
28. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the “Capitalized Interest Credit”).
29. The amount to prepay Special Tax A is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the “Prepayment Amount”).
30. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 1 IA-C.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of CFD No. 1 IA-C Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to redeem CFD No. 1 IA-C Bonds to be used with the next prepayment of CFD No. 1 IA-C Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Prepayable Portion of Special Tax A is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the City Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Prepayable Portion of Special Tax A and that a portion of the Special Tax A with respect to such Assessor's Parcel, equal to the inverse of the Prepayable Portion of Special Tax A ($1 - \text{Prepayable Portion of Special Tax A}$), shall continue to be levied, through the Fiscal

Year in which the Transition Event occurs, on such Assessor's Parcel pursuant to Section 4.

Notwithstanding the foregoing, no Special Tax A prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less the Administrative Expense Requirement that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

D. Partial Prepayment of the Prepayable Portion of Special Tax A

The Prepayable Portion of Special Tax A on an Assessor's Parcel of Developed Property or Undeveloped Property for which a Building Permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section 8.A.; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE - A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section 8.A

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Prepayable Portion of Special Tax A

A = the Prepayment Administrative Fees and Expenses from Section 8.A

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Prepayable Portion of Special Tax A, (ii) the percentage by which the Prepayable Portion of Special Tax A shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Prepayable Portion of Special Tax A for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section 8.A., and (ii) indicate in the records of CFD No. 1 IA-C that there has been a partial prepayment of the Prepayable Portion of Special Tax A and that a portion of the Special Tax A with respect to such Assessor's Parcel, equal to the outstanding percentage of the Maximum Special Tax A (as calculated by the Special Tax Administrator in accordance with this Section), shall continue to be levied on such Assessor's Parcel through the Fiscal Year in which the Transition Event occurs.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Tax A less the Administrative Expense Requirement that

may be levied on Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

9. TERM OF SPECIAL TAX

Special Tax A shall be levied until the earlier of (i) the Transition Year or (ii) the end of Fiscal Year 2072-73. The Special Tax B shall be levied in perpetuity.

10. INTERPRETATIONS AND ADJUSTMENTS

Interpretations may be made by the City, without Resolution or Ordinance of the City Council, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to CFD No. 1 IA-C.

Without City Council approval, the Administrator may make minor, non-substantive administrative and technical changes to the provisions of this document that do not materially affect the rate, method of apportionment, and manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

The City, upon request of an owner of land within CFD No. 1 IA-C which is not Developed Property, may also amend this RMA to reallocate the Special Tax applicable to such owner's land in a manner acceptable to the City, without Resolution or Ordinance of the Council, upon the affirmative vote of such owner and without the vote of owners of any other land within CFD No. 1 IA-C, provided such amendment (i) only affects the such owner's land, (ii) does not reduce the total annual Maximum Special Tax A revenue for CFD No. 1 IA-C, and (iii) provides for a Special Tax distribution upon development of such land which is reasonably proportional and consistent with Special Tax rates provided for in Section 3 (including escalations thereto) for similar land uses and is compliant with the tax assessment loan exception contained in U.S. Treasury Regulation Section 1.141-5(d).

EXHIBIT A

CITY OF SANTA PAULA AND CFD NO. 1 IA-C CERTIFICATE

4. Pursuant to Section 3.F of the Second Amended and Restated Rate and Method of Apportionment of Special Taxes (the “RMA”), the City of Santa Paula (the “City”) and Improvement Area C of Community Facilities District No. 1 of the City of Santa Paula (“CFD No. 1 IA-C”) hereby agree to a reduction in the Special Tax A for Developed Property, Undeveloped Property, and/or Provisional Property:

- (c) The information in the RMA relating to the Special Tax A for Developed Property, Undeveloped Property, and Provisional Property shall be modified as follows:

[insert Tables 1 and 2 showing revised Assigned Special Tax A rates for Developed Property, insert revised Backup Special Tax A rates for Developed Property, and insert change to Maximum Special Tax A rates for Undeveloped Property and Provisional Property]

- (d) The CFD Public Facilities amount in Section 8 shall be changed to \$_____.

5. Special Tax A rates for Taxable Property may only be modified prior to the issuance of the first series of Bonds.
6. Upon execution of the Certificate by the City and CFD No. 1 IA-C the City shall cause an amended Notice of Special Tax Lien to be recorded reflecting the modifications set forth herein.

By execution hereof, the undersigned acknowledges, on behalf of the City of Santa Paula and CFD No. 1 IA-C, receipt of this Certificate and modification of the RMA as set forth in this Certificate.

CITY OF SANTA PAULA

By: _____ Date: _____

CFD Administrator

COMMUNITY FACILITIES DISTRICT NO. 1, IMPROVEMENT AREA C,
OF THE CITY OF SANTA PAULA

By: _____ Date: _____

EXHIBIT C

NOTICE OF PUBLIC HEARING

**Relating to
Resolution of Consideration
To Amend and Restate the Rate and Method of Apportionment of Special Taxes
of
City of Santa Paula Harvest Community Facilities District No. 1
Improvement Areas B and C**

On _____, 2026, the City Council (the "Council") of the City of Santa Paula (the "City") adopted a "Resolution of Consideration to Amend and Restate the Rate and Method of Apportionment of Special Taxes and Authorized Services for Improvement Areas B and C of Harvest Community Facilities District No. 1" (the "Resolution of Consideration") with respect to Improvement Areas B and C of the City of Santa Paula Harvest Community Facilities District No. 1 (the "CFD"), under the Mello-Roos Community Facilities Act of 1982 (the "Act"). Under the Act and the Resolution of Consideration, the Council gives notice as follows:

The text of the Resolution of Consideration, with exhibits thereto, being applicable only to Improvement Areas B and C of the CFD, a proposed Amended and Restated Rate and Method of Apportionment of Special Taxes for each of Improvement Area B and Improvement Area C and expansion of City services authorized to be financed by Improvement Area B and Improvement Area C, as adopted by the Council, is on file with the City Clerk and reference is made thereto for the particular provisions thereof. The text of the Resolution of Consideration is summarized as follows: under the Act, the Council is proposing to amend and restate the Rate and Method of Apportionment of Special Taxes (the "Rate and Method") for each of Improvement Areas B and C and add maintenance and lighting of parks, parkways, streets, roads and open space as authorized services applicable to Improvement Areas B and C. As set forth below, the Council will hold a public hearing on the proposals described in the Resolution of Consideration.

The public hearing on the proposals described in the Resolution of Consideration will be held on Wednesday, February 18, 2026, at 6:30 p.m. or as soon thereafter as possible in the City Council Chambers located at 970 Ventura Street, Santa Paula, California.

At the hearing, protests against the proposals described in the Resolution of Consideration may be made orally, or in writing by any interested persons. Any protests pertaining to the regularity or sufficiency of the proceedings must be in writing, and must be filed with the City Clerk on or before the time fixed for the hearing. If 50% or more of the registered voters, or 6 registered voters (if any), whichever is more, residing within Improvement Area B or Improvement Area C, or the owners of 50% or more of the area of the land in Improvement Areas B or C and not exempt from the special tax, file written protests against the proposed amendment of the applicable Rate and Method and authorized services those changes will not be considered any further by the Council and the changes will not be included in a resolution of consideration for a period of 1 year from the date of the decision of the City Council on the hearing.

If there is no majority protest, the Council may submit the proposed amendment of the Rate and Methods for Improvement Area B and Improvement Area C and amendment to authorized services to the landowners in Improvement Areas B and C for voter approval at a special election. The Act requires the approval of two-thirds of the votes cast at a special election by the qualified electors in Improvement Areas B and C, being the current landowners, with each owner having one vote for each acre or portion thereof such owner owns in Improvement Areas B and C.

Dated as of _____, 2026

City Clerk, City of Santa Paula

EXHIBIT D

AMENDED LIST OF AUTHORIZED FACILITIES AND SERVICES

City of Santa Paula Harvest Community Facilities District No. 1 Improvement Areas B and C

The Mello-Roos Community Facilities Act of 1982 (the “Act”) authorizes the creation of a Community Facilities District to finance public services and facilities, within or of benefit to the land in the district. The following services, facilities, fees, improvements, are eligible for funding through Harvest Community Facilities District No. 1 (the “CFD”) and each Improvement Area.

FACILITIES

The types of facilities authorized to be financed by the CFD and each Improvement Area are street and bridge improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and parkway and landscaping related thereto, domestic and recycled water distribution facilities including wells, treatment facilities, reservoirs and booster pumps, sewer collection facilities, solid waste facilities, storm drainage facilities, park and recreation facilities and equipment, fire facilities and equipment, police facilities and equipment, library facilities and equipment, general governmental office, administrative and meeting facilities, any other capital facilities authorized to be financed under the Act and land, rights-of-way and easements necessary for any of such facilities; reimbursements to other areas for infrastructure facilities serving development in the CFD; and any other expenses incidental to the construction, completion, and inspection of the facilities, including but not limited to and the cost of planning, permitting and designing the facilities, land acquisition and easement payments for authorized facilities; project management; construction staking; engineering studies and reports; utility relocation and demolition costs incidental to the construction of the public facilities.

Authorized facilities also include fees of the City for attributable to any authorized facility, including but not limited to community facilities fees, storm drain fees, fair share traffic fees, sewer collection fees and wastewater treatment fees maintenance.

SERVICES

Authorized services to be financed by the CFD and each Improvement Area are [landscape maintenance](#), [tree maintenance](#), [street lights](#), [catch basins](#), and [water and utility costs](#), and lighting of parks, parkways, streets, roads and open space, including incidental expenses related to any authorized service.

FORMATION, ADMINISTRATIVE, AND INCIDENTAL EXPENSES

In addition to the above facilities and services, the CFD may provide for all administrative costs as allowed by the Act, including but not limited to costs associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, all “Administrative Expenses” as set forth in the Rate and Method of Apportionment of Special Tax for each Improvement Area and all costs otherwise incurred to carry out the authorized purposes of the CFD.
