

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR SAN BERNARDINO COUNTY
COMMUNITY FACILITIES DISTRICT NO. 2025-1
(COMMERCE CENTER II)**

The following sets forth the Rate and Method of Apportionment for the levy and collection of an Annual Special Tax in San Bernardino County ("County") Community Facilities District No. 2025-1 (Commerce Center II) ("CFD No. 2025-1"). An Annual Special Tax shall be levied and collected in CFD No. 2025-1 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property within CFD No. 2025-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
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 the Assessor's Parcel Map, the land area as shown on the applicable Final Map, or if the land area is not shown on the applicable Final Map, the land area as calculated by the CFD Administrator or County engineer.

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

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the formation, annexation, and administration of CFD No. 2025-1, including but not limited to the following: (i) the costs of computing the Special Tax and of preparing the annual Special Tax collection schedule (whether by the CFD Administrator or designee thereof, or both); (ii) the costs of collecting the Special Tax (whether by the County or otherwise); (iii) the costs of responding to property owner inquiries regarding the Special Tax; (iv) the costs of the County or designee related to any appeal of the Special Tax; (v) the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes, (vi) the costs of preparing required reporting obligations, and (vii) an allocable share of the salaries of the County staff and County overhead expense directly relating to the foregoing. Administrative Expenses shall also include amounts advanced by the County for any administrative purposes of CFD No. 2025-1.

"Annual Special Tax" means for each Assessor's Parcel, the Special Tax actually levied in a given Fiscal Year on any Assessor's Parcel of Taxable Property.

"Approved Property" means all Assessor's Parcels of Taxable Property other than Provisional Undeveloped Property: (i) that are included in a Final Map that was recorded prior to the January 1st immediately preceding the Fiscal Year in which the Special Tax is being levied, and (ii) for which a Building Permit has not been issued on or before the April 1st immediately preceding the Fiscal Year in which the Special Tax is being levied.

"Assessor" means the County Assessor.

“Assessor’s Parcel” means a lot or parcel of land designated on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number located within the boundaries of CFD No. 2025-1.

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

“Assessor’s Parcel Number” means that number assigned to a lot or parcel of land by the Assessor for purposes of identification.

“Board of Supervisors” means the Board of Supervisors of the County, acting as the legislative body of CFD No. 2025-1, or its designee.

“Boundary Map” means the official map of CFD No. 2025-1 recorded by the County which shows the boundaries of CFD No. 2025-1, as may be amended pursuant to the Act.

“Building Permit” means the first legal document issued by the County giving official permission for new construction. For purposes of this definition, “Building Permit” may or may not include any subsequent building permits issued or changed after the first issuance, as determined by the CFD Administrator.

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

“CFD No. 2025-1” or “CFD” means Community Facilities District No. 2025-1 (Commerce Center II) established by the County under the Act.

“CFD Administrator” means the Department of Public Works Chief Financial Officer of the County, or designee thereof, responsible for, among other things, determining the Special Tax Requirement and providing for the levy and collection of said Special Tax.

“Consumer Price Index” or “CPI” means the index published monthly by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Riverside-San Bernardino-Ontario area. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the Administrator that is reasonably comparable to the Consumer Price Index for the Riverside-San Bernardino-Ontario area.

“Conversion Event” means with respect to an Assessor’s Parcel within Zone 2, the date on which the Board of Supervisors, or a designee, approves a development project or entitlement review, including environmental review, which causes a change in the existing land use, allowed uses permitted or intensification of uses permitted, or the issuance of a Building Permit for the construction of any type of building.

“County” means the San Bernardino County, California.

“Developed Property” means all Assessor’s Parcels of Taxable Property other than Provisional Undeveloped Property: (i) that are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is levied, and (ii) for which a Building Permit was issued on or before April 1st preceding the Fiscal Year in which the Special Tax is being levied. For the avoidance of

ambiguity, all Assessor's Parcels within Zone 2 shall be classified as Developed Property as of the date of formation of CFD No. 2025-1.

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

"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 that do not need, and are not expected, to be further subdivided prior to the issue of a Building Permit.

"Fiscal Year" means the period commencing July 1 of any year and ending the following June 30.

"Implementation Policy" means the written Implementation Policy for CFD No. 2025-1 approved by the Board of Supervisors in connection with the formation of the CFD, as amended pursuant to the provisions thereof.

"Maximum Special Tax" means for each Assessor's Parcel of Taxable Property, the maximum Special Tax, determined in accordance with Section C that can be levied in any Fiscal Year on such Assessor's Parcel.

"Minimum Acreage" means the smallest allowable amount of taxable Acreage within CFD No 2025-1 pursuant to Section D. Minimum Acreage may be updated in the records of the CFD following any annexation of property into the CFD.

"Proportionately" means for Taxable Property that the ratio of the Annual Special Tax levy to the Maximum Special Tax is equal for all applicable Assessor's Parcels.

"Provisional Undeveloped Property" means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to the provisions of Section D, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property within the applicable Zone below the required Minimum Acreage.

"Services" means services authorized to be funded by CFD No. 2025-1.

"Special Tax(es)" means the Special Tax authorized to be levied on Taxable Property within and by CFD No. 2025-1 pursuant to the Act to fund the Special Tax Requirement.

"Special Tax Requirement" means, subject to the Maximum Special Tax, that amount to be collected in any Fiscal Year to pay for the Services or otherwise required to meet the needs of CFD No. 2025-1. The costs include the costs for (i) the Services, and (ii) Administrative Expenses; less a credit for funds available to reduce the Annual Special Tax levy, or as otherwise determined by the CFD Administrator.

"Taxable Property" means all Assessor's Parcels within CFD No. 2025-1, which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property, Approved Property or Provisional Undeveloped Property.

"Zone 1" means the geographic area designated as Zone 1 on the Boundary Map.

“**Zone 1 Future Annexation Area**” means the geographic area designated as Zone 1 Future Annexation Area on the Boundary Map.

“**Zone 2**” means the geographic area designated as Zone 2 on the Boundary Map.

**SECTION B
CLASSIFICATION OF ASSESSOR’S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2025-26, each Assessor’s Parcel within CFD No. 2025-1 shall be classified as Taxable Property or Exempt Property. In addition, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property. In addition, each Assessor’s Parcel of Developed Property, Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be classified as being within Zone 1 or Zone 2. If an Assessor’s Parcel of Developed Property, Approved Property, Undeveloped Property, or Provisional Undeveloped Property is located within more than one Zone, it shall be deemed to be entirely within the Zone in which the largest portion of its Acreage is located.

**SECTION C
MAXIMUM SPECIAL TAX**

1. Developed Property

Each Fiscal Year, each Assessor’s Parcel of Developed Property shall be subject to the Maximum Special Tax.

a. Maximum Special Tax Prior to the Conversion Event

Prior to the Conversion Event, the Fiscal Year 2025-2026 Maximum Special Tax applicable to an Assessor’s Parcel of Developed Property shall be determined using Table 1 below. The Maximum Special Tax for subsequent Fiscal Years shall be based on the increase set forth in Section C.4.

**TABLE 1
MAXIMUM SPECIAL TAX RATES
FOR DEVELOPED PROPERTY**

Zone	Maximum Special Tax
Zone 1	\$9,299.85 per Acre
Zone 2	\$4,649.93 per Acre

b. Maximum Special Tax After the Conversion Event

After the Conversion Event, the Fiscal Year 2025-2026 Maximum Special Tax applicable to an Assessor’s Parcel of Developed Property within Zone 1 or Zone 2 shall be \$8,184.95 per Acre. The Maximum Special Tax for subsequent Fiscal Years shall be based on the increase set forth in Section C.4.

2. Approved Property

Each Fiscal Year, each Assessor’s Parcel of Approved Property shall be subject to the Maximum Special Tax.

a. Maximum Special Tax Prior to the Conversion Event

Prior to the Conversion Event, the Fiscal Year 2025-2026 Maximum Special Tax applicable to an Assessor’s Parcel of Approved Property shall be determined using Table 2 below. The Maximum Special Tax for subsequent Fiscal Years shall be based on the increase set forth in Section C.4.

**TABLE 2
MAXIMUM SPECIAL TAX RATES
FOR APPROVED PROPERTY**

Zone	Maximum Special Tax
Zone 1	\$9,299.85 per Acre
Zone 2	\$4,649.93 per Acre

b. Maximum Special Tax After the Conversion Event

After the Conversion Event, the Fiscal Year 2025-2026 Maximum Special Tax applicable to an Assessor’s Parcel of Approved Property in either Zone 1 or Zone 2 shall be \$8,184.95 per Acre. The Maximum Special Tax for subsequent Fiscal Years shall be based on the increase set forth in Section C.4.

3. Undeveloped Property and Provisional Undeveloped Property

Each Fiscal Year, each Assessor’s Parcel of Undeveloped Property and Provisional Undeveloped Property shall be subject to the Maximum Special Tax.

a. Maximum Special Tax Prior to the Conversion Event

Prior to the Conversion Event, the Fiscal Year 2025-2026 Maximum Special Tax applicable to an Assessor’s Parcel of Undeveloped Property and Provisional Undeveloped Property shall be determined using Table 3 below. The Maximum Special Tax for subsequent Fiscal Years shall be based on the increase set forth in Section C.4.

**TABLE 3
MAXIMUM SPECIAL TAX RATES
FOR UNDEVELOPED PROPERTY & PROVISIONAL UNDEVELOPED PROPERTY**

Zone	Maximum Special Tax
Zone 1	\$9,299.85 per Acre
Zone 2	\$4,649.93 per Acre

b. Maximum Special Tax After the Conversion Event

After the Conversion Event, the Fiscal Year 2025-2026 Maximum Special Tax applicable to an Assessor's Parcel of Undeveloped Property and Provisional Undeveloped Property in either Zone 1 or Zone 2 shall be \$8,184.95 per Acre. The Maximum Special Tax for subsequent Fiscal Years shall be based on the increase set forth in Section C.4.

4. Increase in the Maximum Special Tax

On each July 1, commencing July 1, 2026, the Maximum Special Tax for Developed Property, Approved Property, Undeveloped Property, and Provisional Undeveloped Property shall be increased by the percentage change in the Consumer Price Index for the twelve-month period ending December of the prior Fiscal Year, with a minimum annual increase of two percent (2%), and a maximum annual increase of eight percent (8%).

**SECTION D
EXEMPT PROPERTY**

The CFD Administrator shall classify as Exempt Property: (i) Assessor's Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by the State of California, Federal or other local governments, including school districts, (ii) Assessor's Parcels which are owned by, irrevocably offered for dedication, encumbered by or restricted in use by a community or homeowners' association, (iii) Assessor's Parcels which are intended to be used as parking lots, or (iv) Assessor's Parcels with other types of public uses determined by the CFD Administrator.

Notwithstanding the above, the County shall not classify an Assessor's Parcel as Exempt Property if (i) such classification would reduce the Acreage of all Taxable Property to less than the Minimum Acreage as set forth in Table 4 below and (ii) the applicable Special Tax that may be levied on the remaining Taxable Property is not sufficient to fund the corresponding Special Tax Requirement. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Acreage will be classified as Provisional Undeveloped Property and will be subject to Special Taxes accordingly.

Notwithstanding the foregoing, the Board of Directors for purposes of levying the Special Tax shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the Acreage of all Taxable Property within the applicable Zone to less than the Acreage amounts listed in Table 4 below. Initial Acres in Table 4 below represent Minimum Acreage at the time of formation of CFD No. 2025-1. Subsequent to the formation of CFD No. 2025-1, it is anticipated that the Zone 1 Future Annexation Area will be annexed into CFD No. 2025-1. Once the annexation of the Zone 1 Future Annexation Area is complete, the Minimum Acreage will be represented by the Total Acres column of Table 4 below. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property within the applicable Zone to less than the Acreage amounts listed in Table 4 will be classified as Provisional Undeveloped Property, and will be subject to the levy of the Special Tax pursuant to Step Four in Section E.

**TABLE 4
MINIMUM TAXABLE ACRES**

Zone	Initial Acres	Acres Following Annexation of Zone 1 Future Annexation Area	Total Acres
Zone 1	132.46	283.27	283.27
Zone 2	89.34	N/A	89.34

**SECTION E
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing with Fiscal Year 2025-2026 and for each following Fiscal Year, the County shall determine the Special Tax Requirement and shall levy the Special Tax on all Assessor’s Parcels of Taxable Property until the aggregate amount of the Special Tax equals the Special Tax Requirement. The Special Tax shall be levied for each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor’s Parcel of Developed Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement;

Second: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Approved Property at up to 100% of the Maximum Special Tax for Approved Property.

Third: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property.

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Provisional Undeveloped Property at up to 100% of the Maximum Special Tax for Provisional Undeveloped Property.

**SECTION F
PREPAYMENT OF THE SPECIAL TAX**

No prepayments of the Special Tax are permitted.

**SECTION G
APPEALS AND INTERPRETATIONS**

Any property owner claiming that the amount or application of the Annual Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed, or as otherwise set forth in the Implementation Policy. The CFD Administrator of CFD No. 2025-1 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Annual Special Tax and rule on the appeal. If the CFD Administrator’s decision requires that the Annual Special Tax for an

Assessor's Parcel be modified or changed in favor of the property owner, the CFD shall provide either (i) a cash refund or (ii) an adjustment to the Annual Special Tax for such Assessor's Parcel in the subsequent Fiscal Year(s).

The Board of Directors may interpret this Rate and Method of Apportionment of Special Tax for purposes of clarifying any ambiguity and make determinations relative to the amount and levy of Special Taxes.

SECTION I
TERM OF THE SPECIAL TAX

The Special Tax shall be levied each Fiscal Year in perpetuity as long as the Services are being provided.

SECTION J
MANNER OF COLLECTION

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 2025-1 may collect the Annual Special Tax at a different time or in a different manner if necessary to meet its financial obligations.