RATE AND METHOD OF APPORTIONMENT FOR
BIG BEAR FIRE AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2019-1
(BBFA FIRE PROTECTION AND EMERGENCY SERVICES)

A Special Tax as hereinafter defined shall be levied on all Assessor’s Parcels in Big Bear Fire Authority Community Facilities District No. 2019-1 (“CFD No. 2019-1”) and collected each Fiscal Year commencing in Fiscal Year 2020-21, in an amount determined by the Board of Directors of the Big Bear Fire Authority through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2019-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:


"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2019-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Fire Authority or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs to the Fire Authority, CFD No. 2019-1 or any designee thereof of complying with Fire Authority, CFD No. 2019-1 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the Fire Authority, CFD No. 2019-1 or any designee thereof related to an appeal of the Special Tax; the costs of the Fire Authority, CFD No. 2019-1 or any designee thereof related to the review of exemption applications submitted pursuant to Section F herein; and the Fire Authority’s annual administration fees, and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the Fire Authority or CFD No. 2019-1 for any other administrative purposes of CFD No. 2019-1, including attorney’s fees and other costs related to commencing and pursuing any foreclosure, or other resolution of delinquent Special Taxes.

"Assessor’s Parcel" means a lot or parcel shown in an Assessor’s Parcel Map or included in the County Assessor’s Roll with an assigned Assessor’s parcel number (“APN”).

"Assessor’s Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor’s parcel number.
"Board" means the Board of Directors of the Fire Authority.

"CFD Administrator" means an official of the Fire Authority, or designee thereof, responsible for determining the Special Tax A Requirement and providing for the levy and collection of the Special Taxes.


"City" means the City of Big Bear Lake.

"Consumer Price Index" means the Consumer Price Index published by the U.S. Bureau of Labor Statistics for "All Urban Consumers" in the Los Angeles – Long Beach - Anaheim Area, measured as of the month of December in the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Consumer Price Index for the City of Los Angeles.

"County" means the County of San Bernardino.

"County Assessor’s Roll" means, for each Fiscal Year, the final County Assessor’s Roll as of January 1 of the prior Fiscal Year. The County Assessor’s Roll includes certain data for each valid Assessor’s Parcel, including County Land Use Code, Improvement Value, Total Value, and Net Assessed Value.

“County Land Use Code” means, for each Fiscal Year, the land use code assigned by the County to identify the particular land use for each Assessor’s Parcel as included in the County Assessor’s Roll. To the extent that the naming/numbering conventions currently used by the County change, the CFD Administrator shall determine the new applicable County Land Use Code(s) to replace any specific County Land Use Code(s) identified in this Rate and Method of Apportionment for CFD No. 2019-1 that are no longer valid.

"County Property Characteristics File" means, for each Fiscal Year, a data file provided by the County that includes for each valid Assessor’s Parcel on the County Assessor’s Roll certain property characteristics including building square footage, number of bedrooms in a residential unit, number of units in a hotel/motel property, etc.

"Developed Property" means, for each Fiscal Year, all Assessor’s Parcels of Taxable Property not classified as Residential Rental Property, Hotel/Motel Property, Ski Resort Property, and Vacant Property.

"Developed Property Floor Area" means the floor area of the structure located on an Assessor’s Parcel of Developed Property, Residential Rental Property, or Hotel/Motel Property, as indicated in the County Property Characteristics File. If building square footage is not included in the County Property Characteristics File for an Assessor’s Parcel
of Developed Property, Residential Rental Property, or Hotel/Motel Property, then the CFD Administrator shall rely on other data sources, including building permits issued by the County or City, or other reasonable data source as determined by the CFD Administrator.

“Exempt Value” means, for each Fiscal Year, for each APN, the value of any exemptions assigned by the County for such APN as indicated on the County Assessor’s Roll.

"Fire Authority" means the Big Bear Fire Authority.

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

“Hotel/Motel Property” means, for each Fiscal Year, all Assessor’s Parcels of Taxable Property with a County Land Use Code of “0330 (Hotel)” or “0331 (Motel).”

“Hotel/Motel Rooms” means, for each Assessor’s Parcel of Hotel/Motel Property, the number of hotel/motel rooms available for rent for the purpose of overnight lodging, as indicated on the building permit issued by the City and/or County. If such room data is not included on the building permit for an Assessor’s Parcel of Hotel/Motel Property, then the CFD Administrator shall rely on other data sources, including the County Property Characteristics File, or other reasonable data source as determined by the CFD Administrator.

“Improvement Value” means, for each Fiscal Year, for each APN, the value of the improvements located on such APN as indicated on the County Assessor’s Roll.

"Land Use Class" means any of the classes listed in Table 1 below.

“Low-Income Housing for Disabled Residents” means, for each Fiscal Year, all Assessor’s Parcels of Taxable Property that are used for residential purposes for which the owner (i) is the occupier of such single family residence, (ii) has a combined family income from all sources for the previous year, that is at or below the income level qualifying as “very low income” for a family of such size in the County, and (iii) is permanently disabled and unable to work due to the disability. The Fire Authority shall designate property as Low-Income Housing for Disabled Residents pursuant to the exemption application process included in Section F herein.

“Low-Income Housing for Senior Citizens” means, for each Fiscal Year, all Assessor’s Parcels of Taxable Property that are used for residential purposes for which the owner (i) is the occupier of such single family residence, (ii) has a combined family income from all sources for the previous year, that is at or below the income level qualifying as “very low income” for a family of such size in the County, and (iii) is sixty-two (62) years of age or older. The Fire Authority shall designate property as Low-Income Housing for Senior Citizens pursuant to the exemption application process included in Section F herein.
"Maximum Special Tax A" means, for each Assessor’s Parcel, the Maximum Special Tax A, determined in accordance with Section C below, that can be levied in any given Fiscal Year on such Assessor’s Parcel.

“Net Assessed Value” means the Total Value less Exempt Value assigned by the County for each Assessor’s Parcel and included in the County Assessor’s Roll.

“Rental List” means, for each Fiscal Year, a list of all Residential Rental Property as of December of the prior Fiscal Year that are located within the City or County, as applicable. Such lists shall be provided by the City and County and shall include the APN and the number of Rental Rooms for each property. If Rental Room data is not included in the Rental List, then the CFD Administrator shall rely on number of bedrooms as indicated in the County Property Characteristics File. If the Rental List is no longer provided, then the CFD Administrator shall rely on other reasonable data sources or lists of Residential Rental Property as determined by the CFD Administrator.

“Rental Rooms” means the number of bedrooms available for rent at each Residential Rental Property.

“Residential Rental Property” means, for each Fiscal Year, a dwelling unit, or portion thereof, participating in the transient private home rental programs authorized pursuant to City Ordinance No. 99-300 for properties located within the City and County Ordinance 84.28.010 for properties not located within the City as identified on the Rental Lists. Such ordinances may be amended or superceded from time to time. Should the City Ordinance and/or County Ordinance no longer be in effect, Residential Rental Property within the applicable area shall include a single family dwelling unit, or portion thereof, rented for the purpose of overnight lodging for a period of not less than one (1) night and not more than thirty (30) days as determined by the CFD Administrator.

"Ski Resort Property" means, for each Fiscal Year, the property identified as APN 0310-951-05-0000 and APN 2328-086-28-0000 (as designated on the County Assessor’s Roll for Fiscal Year 2019-2020).

"Special Tax" refers to the Special Tax A or Special Tax B, individually or collectively, as applicable.

"Special Tax A” means the Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax A Requirement.

"Special Tax B” means the one-time Special Tax collected by the Fire Authority at the time that a building permit for the construction of a new residential or non-residential structure is issued by the City or County for an Assessor’s Parcel of Taxable Property.

"Special Tax A Requirement" means that amount required in any Fiscal Year for CFD No. 2019-1 to: (i) pay for fire protection and suppression services, and emergency medical
services, including without limitation ambulance and paramedic services, eligible to be funded by CFD No. 2019-1 under the Act; (ii) pay Administrative Expenses; (iii) pay for reasonably anticipated delinquent Special Tax A collections based on the delinquency rate for the Special Tax A levy in the previous Fiscal Year; less (iv) a credit for funds available to reduce the annual Special Tax A levy, as determined by the CFD Administrator.

"State" means the State of California.

"Taxable Property" means all of the Assessor’s Parcels within the boundaries of CFD No. 2019-1 which are not exempt from the Special Tax pursuant to law or Section E below.

“Total Value” means, for each Fiscal Year, for each APN, the total property value for such APN as indicated on the County Assessor’s Roll.

"Vacant Property" means, for each Fiscal Year, all Assessor’s Parcels of Taxable Property with (i) a County Land Use Code of “0000 (Vacant)” as indicated in the County Assessor’s Roll or (ii) an Improvement Value equal to $0 as indicated in the County Assessor’s Roll, exclusive of any Assessor’s Parcels classified as Ski Resort Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, commencing Fiscal Year 2020-21, all Taxable Property within CFD No. 2019-1 shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below. Taxable Property shall further be classified as the Land Uses shown in Section C below.

C. MAXIMUM SPECIAL TAX

1. Special Tax A

The Fiscal Year 2020-21 Maximum Special Tax A for each Land Use Class is shown in Table 1 below.

<table>
<thead>
<tr>
<th>Land Use Class</th>
<th>Description</th>
<th>Fiscal Year 2020-21 Maximum Special Tax A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Developed Property</td>
<td>$0.06 per sq. ft. of Developed Property Floor Area, with a minimum of $35.00 per Assessor’s Parcel and a maximum of $2,500 per Assessor’s Parcel</td>
</tr>
<tr>
<td>2</td>
<td>Residential Rental Property</td>
<td>$0.06 per sq. ft. of Developed Property Floor Area with a maximum of $2,500 per Assessor’s Parcel plus an additional</td>
</tr>
<tr>
<td>Land Use Class</td>
<td>Description</td>
<td>Fiscal Year 2020-21 Maximum Special Tax A</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Hotel/Motel Property</td>
<td>$0.06 per sq. ft. of Developed Property Floor Area with a maximum of $2,500 per Assessor’s Parcel plus an additional $78.00 per Hotel/Motel Room</td>
</tr>
<tr>
<td>4</td>
<td>Ski Resort Property</td>
<td>$375,000 for APN 0310-951-05-0000 and $375,000 for APN 2328-086-28-0000 [1]</td>
</tr>
<tr>
<td>5</td>
<td>Vacant Property</td>
<td>$35.00 per Assessor’s Parcel</td>
</tr>
</tbody>
</table>

[1] To the extent that these APNs subsequently change, the CFD Administrator shall determine the new applicable APNs and shall re-allocate the Maximum Special Tax A (as escalated) to the new APNs based on acreage of such new APNs such that the total Maximum Special Tax A on all Ski Resort Property is not changed.

On each July 1, commencing on July 1, 2021, the Maximum Special Tax A, including all minimum and maximum amounts indicated in Table 1 above, shall be increased (but not decreased) by the percentage change in the Consumer Price Index not to exceed five percent (5.0%) of the amount in effect for the previous Fiscal Year.

2. **Special Tax B**

The Fiscal Year 2020-21 Maximum Special Tax B is equal to $0.67 per square foot of Developed Property Floor Area.

On each July 1, commencing on July 1, 2021, the Maximum Special Tax B shall be increased (but not decreased) by the percentage change in the Consumer Price Index not to exceed five percent (5.0%) of the amount in effect for the previous Fiscal Year.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

1. **Special Tax A**

For each Fiscal Year, commencing Fiscal Year 2020-21, the Board shall determine the Special Tax A Requirement and shall levy the Special Tax A on each Assessor’s Parcel of Taxable Property at up to 100% of the applicable Maximum Special Tax A.

Notwithstanding the above, pursuant to Section 53321(d)(3) of the California Government Code, under no circumstances will the Special Tax A levied in any Fiscal Year against any Assessor’s Parcel for which an occupancy permit for private residential use has been issued be increased as a consequence of delinquency or default by the owner or owners of any other Assessor’s Parcel(s) within CFD No. 2019-1 by more than 10% above the amount that would have been levied in that Fiscal Year.
had there never been any such delinquencies or defaults. To the extent that the levy of the Special Tax A on residential property is limited by the provision in the previous sentence, the levy of the Special Tax A on each Assessor’s Parcel of non-residential property shall continue to increase in equal percentages at up to 100% of the Maximum Special Tax A.

2. **Special Tax B**

Commencing with Fiscal Year 2020-21 and for each following Fiscal Year, the Board or its designee shall collect the Special Tax B for each Assessor’s Parcel that is subject to the Special Tax B at 100% of the applicable Maximum Special Tax B.

E. **EXEMPTIONS**

Each Fiscal Year, no Special Tax A shall be levied on Low-Income Housing for Disabled Residents and Low-Income Housing for Senior Citizens. The Fire Authority shall grant exemptions for Low-Income Housing for Disabled Residents or Low-Income Housing for Senior Citizens pursuant to Section F below.

In addition, each Fiscal Year, the CFD Administrator shall exempt Assessor’s Parcels with a Net Assessed Value of $0 for such Fiscal Year or property with any of the following County Land Use Codes for such Fiscal Year:

<table>
<thead>
<tr>
<th>Land Use Code</th>
<th>Land Use Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0360</td>
<td>AIRPORTS</td>
</tr>
<tr>
<td>0388</td>
<td>CLUBHOUSE</td>
</tr>
<tr>
<td>0903</td>
<td>COMMON AREA, GREENBELT</td>
</tr>
<tr>
<td>0904</td>
<td>COMMON AREA, RECREATIONAL FACILITIES</td>
</tr>
<tr>
<td>0905</td>
<td>COMMON AREA, STREET</td>
</tr>
<tr>
<td>0430</td>
<td>GOVERNMENT BUILDING</td>
</tr>
<tr>
<td>0902</td>
<td>PERMANENT OPEN SPACE EASEMENT</td>
</tr>
<tr>
<td>0908</td>
<td>RIGHT OF WAY EASEMENT</td>
</tr>
<tr>
<td>0623</td>
<td>SENIOR CITIZEN APT</td>
</tr>
</tbody>
</table>

F. **EXEMPTION APPLICATION PROCESS**

Each Fiscal Year, in order to be exempt from the Special Tax A, property owners who own property that qualifies as Low-Income Housing for Disabled Residents or Low-Income Housing for Senior Citizens shall complete and submit the application included herein as Exhibit A.

The completed application shall be mailed or emailed to the CFD Administrator during the application period (January 1 through February 28) for the upcoming Fiscal Year.
The CFD Administrator shall review each application and determine if such property owner shall be granted the exemption for the applicable Fiscal Year. Property owners will be notified of their exemption status by May 1 of each year. Exemptions are granted for one Fiscal Year at a time. Therefore, a new application must be submitted each year.

The application is also available for download at the Fire Authority’s website and can be submitted through such website.

G. REVIEW/APPEAL COMMITTEE

Any taxpayer may file a written appeal of the Special Tax levied on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the calculation of the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant’s property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the Board Secretary, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator’s determination.

Interpretations may be made by the Board by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

H. MANNER OF COLLECTION

The Special Tax A will be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 2019-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor’s Parcels as permitted by the Act.

The Special Tax B will be collected by the Fire Authority at the time that a building permit for the construction of a new residential or non-residential structure is issued by the City or County for an Assessor’s Parcel of Taxable Property.

I. TERM OF SPECIAL TAX
The Special Tax shall be levied as long as the Fire Authority, or its successor entity, directly provides fire services within the boundaries of the CFD. If the Fire Authority or its successor agency ceases to exist and is replaced by a federal, State, County or private fire and/or emergency service provider, then the Special Tax will no longer be levied.