

COMMUNITY FACILITIES DISTRICT NO. 87-1

Improvement Area No. 1

TOWNGATE

ANNUAL
SPECIAL TAX &

2021/22

BOND ACCOUNTABILITY REPORT

REPORT DATE: MAY 2021

CITY OF MORENO VALLEY
SPECIAL DISTRICTS DIVISION
FINANCIAL & MANAGEMENT SERVICES DEPARTMENT

14177 Frederick St.
PO Box 88005
Moreno Valley, CA 92552
SDAdmin@moval.org
951.413.3470

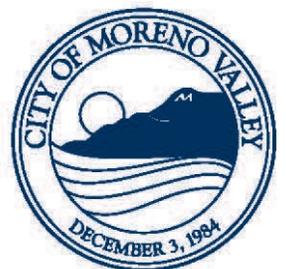


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LIST OF PARTICIPANTS

Community Facilities District No. 87-1 (Towngate), Improvement Area No. 1 2007 Special Tax Refunding Bonds

City Contacts

Brian Mohan
Acting Assistant City Manager
Chief Financial Officer/City Treasurer
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805
951.413.3021
brianm@moval.org

Candace E. Cassel
Special Districts Division Manager
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805
951.413.3480
candacec@moval.org

Bond Counsel

Mark Huebsch, Esq.
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660
949.725.4167
mhuebsch@sycr.com

Financial Consultant

Peter J. Ross
Ross Financial
1736 Stockton Street, Suite 1
San Francisco, CA 94133
415.912.5612
rossfinancial@smkc.com

Underwriter

Raul Amezcua
E.J. De La Rosa & Co., Inc.*
515 S. Figueroa Street, Suite 1800
Los Angeles, CA 90071
213.443.5202
ramezcua@stifel.com

Arbitrage Rebate Consultant

Dave Davies
Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, CA 92590
951.587.3520
ddavies@willdan.com

Trustee

Dania D. Samai
Wells Fargo Bank, N.A.
Corporate Trust Services
333 S. Grand Avenue, Fifth Floor,
Suite 5A, MAC E2064-05A
Los Angeles, CA 90071
213.253.7516
danial.d.samai@wellsfargo.com

* Acquired by Stifel, Nicolaus & Company, Inc. in January 2014.

I. INTRODUCTION

A. DESCRIPTION OF PROCEEDINGS

The City of Moreno Valley, California (the “City”) is located in the western portion of Riverside County, bordered by the cities of Riverside and Perris, Lake Perris, and March Air Reserve Base.

In 1992, the Community Facilities District (CFD) No. 87-1 Improvement Area No. 1 (the “District” or “CFD No. 87-1 IA 1”) was formed to finance the costs to construct, purchase, modify, expand, improve, and rehabilitate additional public facilities within CFD No. 87-1. The facilities included the acquisition, construction and/or installation of certain domestic water improvements, sewer improvements, traffic signals, freeway ramps, and land for a detention basin. For additional information on CFD No. 87-1, reference is made to the Annual Special Tax and Bond Accountability Report for CFD No. 87-1.

On March 23, 1993, the City Council, acting as the legislative body of the District, approved the issuance of \$5,000,000 of CFD No. 87-1 IA 1 Special Tax Bonds. The bonds were issued on April 1, 1993.

On October 23, 2007, the City Council, acting as the legislative body of the District, approved issuance of the 2007 Towngate Special Tax Refunding Bonds for CFD No. 87-1 (Towngate) (the “Bonds”) by adoption of Resolution No. 2007-119. On November 29, 2007, \$4,075,000 of Bonds were issued. The Bonds are special obligations of the District and are payable solely from revenues derived from certain annual special taxes levied on the taxable properties within the District.

In connection with development of the area, the former Community Redevelopment Agency (“Agency”) entered into agreements concerning the provision of the public infrastructure improvements. Under a previous agreement with a private party, the Agency agreed to make available certain revenues, if any, as generated by Tax Increment (TI), which along with special taxes levied, would fund the debt service payments. On October 23, 2007, the Agency Improvement Area Agreement was adopted and restates the agreement of the Agency to make payments to the District. Per the terms of the Agency Improvement Area Agreement, the Agency shall, during each bond year for so long as the 2007 Improvement Area Refunding Bonds are outstanding, annually determine TI and contribute such amounts payable to the District, which are allocated based upon the percentages set forth in the Rate and Method of Apportionment (RMA) of the District.

In June of 2011, the California State Legislature approved trailer bills AB 1x 26 and AB 1x 27 to dissolve redevelopment agencies. On January 10, 2012, the Moreno Valley City Council adopted Resolution No. 2012-04, designating the City of Moreno Valley as the Successor Agency to the Community Redevelopment Agency of Moreno Valley (“Successor Agency”) to discharge the obligations of the Agency.

Following dissolution of the Agency, the Successor Agency is required to submit a Recognized Obligation Payment Schedule (ROPS) to the Countywide Oversight Board (the “County Board”) to fulfill the Agency’s obligations, which is then ratified by the Department of Finance (DOF). The ROPS includes payment of available TI payable towards the CFD No. 87-1 IA 1 special tax requirement. The County Board and DOF have approved the payment of TI for this purpose

through June 2022. If future TI is unavailable, special taxes will be levied against the parcels in the District at a rate sufficient to cover the special tax requirement, provided the special tax does not exceed the maximum special tax rate as authorized under the terms of the RMA.

For further information concerning the City, Agency, or supporting documents, reference is made to the Official Statement of the CFD No. 87-1 IA 1 Special Tax Refunding Bonds (“Bonds”).

Table 1: Summary of Proceedings

| Document | Number | Date |
|-------------------------------------|----------|-------------------|
| Resolution of Intention | 91-91 | June 25, 1991 |
| Resolution of Formation | 92-119 | November 17, 1992 |
| Resolution of Issuance (1993 Bonds) | 93-16 | March 23, 1993 |
| Resolution of Issuance (Bonds) | 2007-120 | October 23, 2007 |

| CFD 87-1, Improvement Area No. 1 Bonds | |
|--|-------------------|
| Date of Bond Issue (Dated Date) | November 29, 2007 |
| Date of Bond Maturity | October 1, 2023 |
| Amount of Bond Issue | \$4,075,000 |
| Bond Rating | Not Rated |

Table 2: Bond Principal

| Year | CUSIP* | Principal | Year | CUSIP* | Principal |
|------|------------|-----------|------|------------|-----------|
| 2008 | 616865 DM0 | \$220,000 | 2016 | 616865 DV0 | \$250,000 |
| 2009 | 616865 DN8 | 190,000 | 2017 | 616865 DW8 | 260,000 |
| 2010 | 616865 DP3 | 195,000 | 2018 | 616865 DX6 | 275,000 |
| 2011 | 616865 DQ1 | 205,000 | 2019 | 616865 DY4 | 290,000 |
| 2012 | 616865 DR9 | 210,000 | 2020 | 616865 DZ1 | 300,000 |
| 2013 | 616865 DS7 | 220,000 | 2021 | 616865 EA5 | 315,000 |
| 2014 | 616865 DT5 | 230,000 | 2022 | 616865 EB3 | 330,000 |
| 2015 | 616865 DU2 | 240,000 | 2023 | 616865 EC1 | 345,000 |

* Committee on Uniform Security Identification Procedures (CUSIP)
 + Copyright, American Bankers Association. CUSIP date is provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP numbers are provided for convenience of reference only. The District takes no responsibility for the accuracy of such number

B. DISTRICT DESCRIPTION

The District falls within the boundaries of the Towngate development and includes the 1) Moreno Valley Mall, 2) Towngate Promenade, and 3) Towngate Square.

The District encompasses a portion of the Towngate development and currently consists of approximately 143.35 net taxable acres located in the City, as identified in the Riverside County Assessor Parcel Maps. The land encompasses Lots 2, 4, and 7 of Tract Map No. 22049, as recorded in Map Book 177, Pages 1 through 8, of Riverside County, California. Subsequently, Lot 2 was subdivided into Parcels 1 through 6 of Tract Map No. 27143, and Lot 4 was subdivided into Parcels 1 through 5 of Tract Map No. 27398. Lot 7 (Tract Map No. 22049) was subdivided into two parcels.

In accordance with the RMA, the 143.35 net taxable acres of land are divided into two Tax Rate Areas for the purposes of calculating and applying the special taxes. Tax Rate Area 1 includes all property located on Lot 2 of Tract Map No. 22049, as subdivided and consists of approximately 80.15 net taxable acres. Tax Rate Area 2 includes all property located on Lots 4 and 7 of Tract Map No. 22049, as subdivided. With the subdivision of Lot 7, which includes the designation of the fire station site within Lot 7, the Tax Rate Area 2 assessable acres were reduced by 1.25 acres, resulting in a change from approximately 64.55 to 63.30 net taxable acres. Additional development on multiple parcels has adjusted taxable acreage within the District, reducing the assessable acres for Tax Rate Area 2 by 0.10 acres, from 63.30 net taxable acres to 63.20 net taxable acres.

i. ASSESSED VALUATION

The historical assessed valuation, as well as the most recent detail assessed valuation, for taxable property within the District are included in the tables below.

Table 3: Historical Valuation

| Fiscal Year | Assessed Land Value | Assessed Structure Value | Total Assessed Value |
|-------------|---------------------|--------------------------|----------------------|
| 2007/08 | \$ 49,658,066 | \$ 119,626,299 | \$ 169,284,365 |
| 2008/09 | 51,913,693 | 96,860,165 | 148,773,858 |
| 2009/10 | 51,854,257 | 94,677,262 | 146,531,519 |
| 2010/11 | 55,882,907 | 135,145,696 | 191,028,603 |
| 2011/12 | 50,727,892 | 92,830,832 | 143,558,724 |
| 2012/13 | 51,186,653 | 94,236,231 | 145,422,884 |
| 2013/14 | 54,309,827 | 122,483,009 | 176,792,836 |
| 2014/15 | 57,068,182 | 135,570,210 | 192,638,392 |
| 2015/16 | 60,234,787 | 145,772,003 | 206,006,790 |
| 2016/17 | 61,800,228 | 149,964,536 | 211,764,764 |
| 2017/18 | 64,926,307 | 158,652,151 | 223,578,458 |
| 2018/19 | 65,620,965 | 166,423,799 | 232,044,764 |
| 2019/20 | 68,062,753 | 177,865,970 | 245,928,723 |
| 2020/21 | 73,513,329 | 191,339,374 | 264,852,703 |

Source: Assessed Values - Riverside County Property Tax Roll Information - March 2021.

Table 4: Assessed Valuation

| Assessor's Parcel Number | Property Owner | Development Status | Taxable Acres | Assessed Land Value | Assessed Structure Value | Total Assessed Value |
|------------------------------|-----------------------------|--------------------------|---------------|----------------------|--------------------------|-----------------------|
| 291-110-032 | MORENO VALLEY MALL HOLDING | Developed | 31.09 | \$ 13,741,395 | \$ 54,726,608 | \$ 68,468,003 |
| 291-110-033 | MORENO VALLEY MALL HOLDING | Developed | 7.43 | 3,866,703 | 9,277,229 | 13,143,932 |
| 291-110-034 | MORENO VALLEY MALL HOLDINGS | Developed | 9.58 | 3,225,240 | 2,392,920 | 5,618,160 |
| 291-110-035 | MILBANK REAL ESTATE | Developed | 10.51 | 5,003,430 | 8,940,556 | 13,943,986 |
| 291-110-036 | J C PENNEY PROP INC | Developed | 10.13 | 7,628,736 | 13,173,692 | 20,802,428 |
| 291-110-037 | MACYS CALIF INC | Developed | 11.41 | 5,720,226 | 10,530,422 | 16,250,648 |
| Tax Rate Area 1 (59%) | | | 80.15 | \$ 39,185,730 | \$ 99,041,427 | \$ 138,227,157 |
| 291-110-039 | COSTCO WHOLESALE CORP | Developed | 12.69 | \$ 6,467,857 | \$ 10,806,609 | \$ 17,274,466 |
| 291-110-040 | NEAL T BAKER ENTERPRISES | Developed | 0.75 | 939,489 | 717,418 | 1,656,907 |
| 291-110-041 | CFT DEV | Developed | 0.77 | 1,059,916 | 1,093,038 | 2,152,954 |
| 291-650-001 | LEW LA FAYETTE PROP | Developed | 1.50 | 1,120,443 | 2,218,024 | 3,338,467 |
| 291-650-002 | WINCO FOODS | Developed | 10.94 | 5,480,608 | 3,890,785 | 9,371,393 |
| 291-650-003 | QUICK QUACK DEV II | Developed | 0.94 | 945,535 | 1,928,688 | 2,874,223 |
| 291-650-004 | GATEWAY CO | Undeveloped ¹ | 1.96 | 77,690 | 25,019 | 102,709 |
| 291-650-005 | GATEWAY CO | Undeveloped ¹ | 1.95 | 77,296 | 64,346 | 141,642 |
| 291-650-006 | GATEWAY CO | Undeveloped ¹ | 1.90 | 75,309 | 87,592 | 162,901 |
| 291-650-007 | MORENO VALLEY M.O.B. | Undeveloped ¹ | 1.56 | 1,213,800 | 61,200 | 1,275,000 |
| 291-650-033 | MV MMP INC | Developed | 2.31 | 1,742,689 | 11,039,998 | 12,782,687 |
| 291-650-034 | GATEWAY CO | Undeveloped ¹ | 1.74 | 68,969 | 37,084 | 106,053 |
| 291-650-018 | SDG INV | Developed | 1.05 | 606,409 | 1,637,559 | 2,243,968 |
| 291-650-020 | GATEWAY CO | Undeveloped ¹ | 1.29 | 51,128 | 137,594 | 188,722 |
| 291-650-021 | FOUR QUARTS & ASSOCIATES | Developed | 1.42 | 1,477,368 | 4,296,852 | 5,774,220 |
| 291-660-001 | GATEWAY CO | Developed | 1.15 | 29,117 | 2,805,275 | 2,834,392 |
| 291-660-002 | GATEWAY CO | Developed | 1.23 | 1,228,669 | 2,291,430 | 3,520,099 |
| 291-660-003 | IRURY | Developed | 1.13 | 988,380 | 2,705,040 | 3,693,420 |
| 291-660-004 | GALA DEV PARTNERS | Undeveloped ¹ | 1.13 | 1,115,591 | 109,460 | 1,225,051 |
| 291-660-028 | AYRES MORENO VALLEY | Developed | 2.76 | 2,773,354 | 6,550,969 | 9,324,323 |
| 291-660-029 | BRE POLYGON PROP OWNER | Developed | 2.39 | 2,353,926 | 11,769,637 | 14,123,563 |
| 291-660-033 | GATEWAY CO | Undeveloped ¹ | 1.04 | 6,518 | 91,831 | 98,349 |
| 291-660-034 | CHWV MORENO | Developed | 1.18 | 1,152,600 | 5,477,400 | 6,630,000 |
| 291-660-035 | LIU CHE CHEN | Developed | 3.80 | 2,783,236 | 13,133,794 | 15,917,030 |
| 291-660-040 | GATEWAY CO | Developed | 1.53 | 182,877 | 1,695,219 | 1,878,096 |
| 291-660-042 | GATEWAY CO | Developed | 1.40 | 35,705 | 3,247,790 | 3,283,495 |
| 291-660-043 | GATEWAY CO | Developed | 1.69 | 273,120 | 4,378,296 | 4,651,416 |
| Tax Rate Area 2 (41%) | | | 63.2 | \$ 34,327,599 | \$ 92,297,947 | \$ 126,625,546 |
| Total | | | 143.35 | \$ 73,513,329 | \$ 191,339,374 | \$ 264,852,703 |

¹APNs which are Undeveloped, but have constructed certain parcel improvements.

Source: Assessed Values - Riverside County Property Tax Roll Information - April 9, 2021.

C. PUBLIC FACILITIES

The original Bond proceeds for the District were used to acquire the following public facilities: detention basin land acquisition, Lot 2 transmission and distribution site, Towngate Circle and Dracaea Avenue sewer, traffic signals, modification of the eastbound off ramp at Day Street and State Highway 60, and modification of the westbound off ramp at Frederick Street and Pigeon Pass Road, and all necessary appurtenances and appurtenant work.

D. DEVELOPMENT STATUS

Table 5 is a summary of the building permits (BP) and certificates of occupancy (CofO) issued for parcels subject to the special tax for fiscal year (FY) 2020/21 through April 2021.

Table 5: Development Status

| APN | Permit Date ¹ | Permit Description |
|--|--------------------------|---|
| 291110032 ² | 01/29/2021 | Art Sculpture Exterior Installation at MV Mall Entrance (food court entrance) |
| 291110032 ² | 01/05/2021 | Installation of (4) Direct Current Electric Vehicle Charging Stations at the parking lot - Moreno Valley Mall - SCE release (PEN20-0125) |
| 291110039 | 06/11/2020 | Costco - Remove (e) Healy Clean Air Separator Vapor Processor and Install Arid Permeator on (e) Concrete Slab, Install Electrical Panel, Saw Cut and Replace a Portion of Pavement in Order to Install a Vapor Return Line, Install New Electrical Conduits & Conductor for Permeator & Upgrade Veeder Root Software (Perform Cold Start) |
| 291660042 | 04/06/2021 | Install Two Internally (LED) Lighted Channel letter wall signs and two (2) tenant panels (in the centers) Existing monument sign for "Wingstop" (PSN21-0005) |
| ¹ Permit Date represents date the permit for certificate of occupancy or tenant improvement was issued, not the date of the ² 291110032 is the Mall's common area and includes smaller (non-anchor) businesses Source: ACP | | |

E. DEVELOPMENT RESTRICTIONS

As of the date of this report, there have been no significant amendments to land use entitlements significant legislative, administrative, or judicial challenges to construction, development or to the use of any parcels in the District known to the City.

II. FINANCIAL INFORMATION

A. FINANCIAL STATEMENTS

The City's audited financial statements for the period ending June 30, 2021, will be filed separately with the EMMA service and are hereby incorporated by reference into this report. The audited financial statements are also available from the City's Financial & Management Services Department and available for review on the City's website at www.moval.org. The City's audited financial statements are provided solely to comply with the Continuing Disclosure Agreement. No funds or assets of the City have been pledged or are required to be allocated for the payment of debt service on the Bonds.

B. PRINCIPAL AMOUNT OUTSTANDING

The principal amount outstanding for the Bonds following the October 1, 2020 debt service payment is \$990,000. For a complete principal payment schedule, please refer to Appendix C.

C. DESCRIPTION OF FUNDS

The Bond Indenture (Article III) requires the Trustee to establish and maintain the following funds and accounts.

i. SPECIAL TAX FUND

The Trustee shall transfer available monies from the Special Tax Fund in accordance with the Bond Indenture (Section 3.2).

a) Administrative Expense Account

The Trustee, in accordance with the Bond Indenture (Section 3.3), shall not less than annually, transfer payment of funds to the Administrative Expense Account.

b) Principal and Interest Accounts

The principal and interest due on the Bonds until maturity shall be paid by the Trustee from the Principal and Interest Accounts. In accordance with the Bond Indenture (Section 3.4), the Trustee shall transfer the payment of principal prior to each October 1 and interest prior to each April and October 1. Payment shall be applied first to the Interest Account, then to the Principal Account from the Special Tax Funds. If the amounts in the Special Tax Fund are inadequate, any deficiency shall be made up by the Reserve Account.

The payment of interest, as set forth in the Bond Indenture (Section 3.4[a]), shall equal the amount of interest due on the Bonds as of the interest payment date and include any amount of prior unpaid interest.

The payment of principal, as set forth in the Bond Indenture (Section 3.4[b]), shall equal the amount of the principal payment due on October 1 and any unpaid principal amount due from the previous October 1.

c) Redemption Account

As set forth in the Bond Indenture (Section 3.5), the Redemption Account is available for the purpose of paying the interest, principal, and premiums, if any, on the Bonds called for optional redemption. This fund shall be used solely for the purpose of redeeming Bonds.

d) Reserve Account

The Reserve Account, as set forth in the Bond Indenture (Section 3.6), is established to maintain an amount equal to the Reserve Requirement. The Reserve Account will be used solely to pay principal and interest on the Bonds in the event that the monies in the Interest and Principal Accounts are insufficient to pay the principal and interest due on any payment date or any required transfer to the Rebate Fund in accordance with the Bond Indenture.

As set forth in the Bond Indenture, monies in the Reserve Account in excess of the Reserve Requirement are to be transferred to the Interest Account to pay interest on the Bonds.

ii. REBATE FUND

Per the Bond Indenture (Section 3.7), the Trustee shall establish and maintain the Rebate Fund, which is separate from any other fund. All money at any time deposited in the Rebate Fund, Rebate Account, or Alternative Penalty Account shall be held by the Trustee for payment to the United States Treasury.

a) Rebate Account

The Rebate Account shall be maintained by the Trustee in accordance with Section 3.7(i) of the Bond Indenture.

b) Alternative Penalty Account

The Alternative Penalty Account shall be maintained by the Trustee in accordance with Section 3.7(ii) of the Bond Indenture.

c) Rebate Liability

The District, in accordance with the Bond Indenture (Section 3.7), shall calculate or cause to be calculated the rebatable arbitrage for each series of Bonds in accordance with the Tax Certificate for the Bonds, and shall, in writing, direct the Trustee to transfer funds to the Rebate Fund from the funds furnished by the District. The Arbitrage Rebate Consultant has prepared the required computations for the arbitrage rebate liability for each required account. The table below shows the computation period beginning November 29, 2007 and ending October 1, 2017. The next computation for the Bonds is due October 1, 2022.

Table 6: Arbitrage Calculation Summary

| Arbitrage Rebate Liability | |
|---|------------------------|
| For the Period November 29, 2007 – October 1, 2017 | |
| ¹ FV Prior Liability - 10/01/10 | \$ (84,652.64) |
| Reserve | (139,983.40) |
| FV Computation Date Credit - 10/01/11 | (2,016.35) |
| FV Computation Date Credit - 10/01/12 | (1,961.55) |
| FV Computation Date Credit - 10/01/13 | (1,919.61) |
| FV Computation Date Credit - 10/01/14 | (1,865.85) |
| FV Computation Date Credit - 10/01/15 | (1,812.97) |
| FV Computation Date Credit - 10/01/16 | (1,729.57) |
| Computation Date Credit - 10/01/17 | (1,670.00) |
| Total | \$ (237,611.94) |
| Rebate Liability (90% of Total) | - |
| ¹ FV = Future Value | |
| Source: Arbitrage Rebate Calculation dated October 2017, as prepared by Willdan Financial Services. | |

iii. COSTS OF ISSUANCE FUND

In accordance with the Bond Indenture (Section 3.9), the Trustee has disbursed all monies from the Costs of Issuance Fund. During FY 2008/09, all remaining monies were transferred by the Trustee to the Surplus Fund and the Costs of Issuance Fund was closed.

iv. SURPLUS FUND

After all transfers have been made as required by the Bond Indenture (Sections 3.3 thru 3.7), all remaining amounts in the Special Tax Fund, if any, shall be transferred to the Surplus Fund (Section 3.8). Monies remaining in this fund may be used for payment of interest, principal, administrative expenses, replenishment of the Reserve Fund, reduction of next year's special tax levy, or for any other lawful purpose.

D. FUND BALANCES

All TI and special taxes received to date for FY 20/21 have been transferred to the Trustee in compliance with the Bond Indenture. The Bonds were issued for refunding purposes. As such, no proceeds were allocated for the establishment or funding of an Acquisition and Construction Fund.

Table 7: Fund Balances

| Fund / Account | Balance as of March 31, 2021 |
|--------------------------------|---|
| Special Tax Fund | \$ 175,709.43 |
| Interest Account | 23,830.06 |
| Principal Account | 0.58 |
| Redemption Account | - |
| Reserve Account ¹ | 362,658.75 |
| Administration Expense Account | 22,231.46 |
| Rebate Fund | - |
| Cost of Issuance Fund | - |
| Surplus Fund | 4,016.59 |

¹ Funds in the Reserve Account reflect an amount at least or equal to the Reserve Fund Requirement. The Reserve Fund Requirement for FY 2021/22 is \$362,658.76.

III. COMPUTATION OF THE SPECIAL TAX REQUIREMENT

A. ADMINISTRATIVE EXPENSES

The anticipated administrative expenses payable during the period for FY 2021/22 are included in the calculation of the special tax requirement (Table 8) of this report. Expenses of this type shall be paid from the Special Tax Fund.

i. SPECIAL TAX REPORT AND ADMINISTRATION

This expense is for the cost to prepare the annual reports (Special Tax Report and Continuing Disclosure Report), to monitor payments and delinquencies, and to submit the special taxes, after calculating and submitting for the legislative body's approval, to the County of Riverside.

ii. TRUSTEE FEES

This expense is for the Trustee's services associated with bond and fund administration.

iii. ARBITRAGE REBATE CALCULATION

This expense is to calculate the arbitrage rebate as required by Federal Law.

iv. PROFESSIONAL SERVICES

This expense is to prepare and disseminate significant event reports, which may include disclosure legal counsel services.

v. CITY COSTS

This expense is for the City's coordination of consultants, attorneys, bankers, investment bankers, and other contractors. In addition, City staff provides administrative services, prepares the Annual Special Tax and Bond Accountability Report, commissions, provides data, and reviews the annual continuing disclosure and arbitrage reports, calculates and submits the special tax levy information to the Riverside County Auditor-Controller, monitors tax installments and Bond proceeds, wires special tax payments to the Trustees and requisitions payments for services, maintains information on the City's website, responds to customer inquiries, and ensures compliance with related laws.

City costs also include the City's accounting of the Bond proceeds, fund monitoring, special tax delinquency management, administration of the debt service requirements, costs associated with outside auditors, and the general administrative services, which includes overhead for personnel support, office rent and maintenance, insurance, and support from City Council, City Manager, purchasing, media, and communications.

vi. COUNTY COSTS

This expense is for the Riverside County fees to levy and collect the tax installments on the property tax bills. Riverside County assesses additional fees for any adjustments made to the property tax bills.

B. SPECIAL TAX REQUIREMENT

The City has covenanted in the Bond Indenture (Section 5.2[b]) that it will levy the special tax for collection in each fiscal year in order to generate that amount of special tax revenues which,

when combined with the interest earnings on the various funds and accounts not required for rebate to the United States Treasury, will yield the required debt service payments, replenish the Reserve Account as provided, and pay for authorized administrative expenses.

Table 8: Special Tax Requirement

| GROSS REQUIREMENT | |
|---|---------------------|
| Annual Debt Service | \$362,658.76 |
| Delinquent Installments | 411.32 |
| Total Debt Requirement | \$363,070.08 |
| Administrative Expenses: | |
| Special Tax Report & Administration | \$13,586.00 |
| Trustee Fees | 2,000.00 |
| Arbitrage Rebate Calculation | 400.00 |
| Professional Services | 1,950.00 |
| Personnel | 4,161.00 |
| Accounting | 6,704.00 |
| General Administration | 3,621.00 |
| Total Administrative Expenses | \$32,422.00 |
| County Costs: | |
| County Tax Roll Fees | 150.00 |
| Total County Administrative Expenses | \$150.00 |
| Total Administrative Requirement | \$32,572.00 |
| TOTAL GROSS SPECIAL TAX REQUIREMENT | \$395,642.08 |
| CREDITS: INTEREST EARNINGS, TRANSFERS & CONTRIBUTIONS | |
| Interest Earnings (Estimated) | \$3,516.88 |
| Excess Credit | 0.00 |
| Surplus Reserve Fund Credit | 0.00 |
| Adjustments & Contingency | 0.00 |
| Total Interest Earnings and Transfers | \$3,516.88 |
| Tax Increment Contribution ¹ | 277,847.22 |
| Total Tax Increment Contributions | \$277,847.22 |
| TOTAL CREDITS | \$281,364.10 |
| TOTAL NET SPECIAL TAX REQUIREMENT | \$114,277.98 |
| ¹ The ROPS amount is approved through June 2022. | |
| ² If the delinquent parcels are paid in full prior to the submittal of the special taxes to the County for the placement on the 2021/22 property tax roll, the Total Net Special Tax Requirement will be adjusted to \$113,866.66. | |

IV. SPECIAL TAX ALLOCATION

The City has the power and as such is obligated to levy and collect the special tax according to the RMA, which the legislative body (City Council) of the District and the eligible qualified electors within CFD No. 87-1 IA 1 previously approved. The special tax formula apportions the total special tax requirement (principal, interest, administrative expenses, restoration of the Reserve Fund, if required, and anticipated delinquencies) each year and takes into account the availability of other revenues, including Tax Increment Contribution.

A. ASSIGNMENT TO TAX RATE AREAS

The special tax shall be levied upon a parcel for a fiscal year according to the designated Tax Rate Area to which that parcel has been assigned. The special tax levy is calculated based on acreage, as provided by the County of Riverside Assessor’s office, for each year. “Tax Rate Area” refers to any of the two (2) categories as defined in the CFD Report. No special tax shall be levied on property, which is owned by, dedicated or otherwise conveyed to, a public agency, according to the RMA.

B. SPECIAL TAX RATES

According to the RMA, there is no escalator clause for the maximum special tax rates. Below are the maximum special tax rates and the FY 2021/22 applied special tax rates for each Tax Rate Area. At the time of the Report, the 2nd installment special taxes have not been paid for one parcel. Therefore, the applied special tax rate has been calculated with and without the outstanding special tax to ensure adequate funds are levied to meet the special tax requirement. The Special Tax Rate Without Delinquency will be used if the outstanding special tax has been paid prior to the levy being submitted to the County for inclusion on the 2021/22 property tax roll.

Table 9: Special Tax Rates

| Tax Rate Area | Maximum Special Tax Rate | 2021/22 Applied Special Tax Rate without delinquencies | 2021/22 Applied Special Tax Rate with delinquencies |
|----------------------|---------------------------------|---|--|
| Tax Rate Area 1 | \$ 4,450.00 | \$ 838.20 | \$ 838.20 |
| Tax Rate Area 2 | 3,850.00 | 738.69 | 745.20 |

C. RATE AND METHOD OF APPORTIONMENT

i. SPECIAL TAX LEVY

Each year, the City Council, acting as the legislative body of the District, shall approve and adopt a resolution of the Council approving the calculation of the maximum and applied special tax rates for the fiscal year for which the special tax shall be levied. This amount will include, but is not limited to, the amounts required to pay for the debt service on any indebtedness, replenish the Reserve Account as necessary, and pay incidental or administrative expenses incurred by the District.

ii. SPECIAL TAX LIEN

The special taxes and any penalties thereon constitute a lien against the lots and parcels of land, which will be annually imposed until they are paid. Such lien is on parity with all special taxes and special assessments and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The special taxes have priority over all existing and future private liens imposed on the property. Although the special taxes constitute liens on taxed parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. There is no assurance that the owners will be financially able to pay the annual special taxes or that they will pay such taxes even if financially able to do so. With certain limitations, the City has covenanted to commence foreclosure proceedings in the event delinquencies occur. These limitations are more fully described in Article V of the Bond Indenture and in the "Sources of Payment for the Bonds" section of the Official Statement.

D. SPECIAL TAX ALLOCATION

The Special Taxes for the District are allocated to all taxable properties in Tax Rate Area 1 and Tax Rate Area 2. According to the RMA, Tax Rate Area 1 is responsible for 59% and Tax Rate Area 2 is responsible for 41% of the annual Special Tax Requirement. The following table sets forth the allocation of special taxes, along with the total amount of FY 2021/22 special tax levy for the combined Tax Rate Areas.

The following tables provide the development status and Tax Rate Area for properties within the boundaries of CFD No. 87-1, IA1, the bonded indebtedness for each parcel, along with the allocation of the FY 2021/22 maximum and applied special tax. Two separate calculations are provided; one takes into account delinquencies and the other does not.

Table 10: Special Tax Allocations
Special Tax Allocation without Delinquencies

| Assessor's Parcel Number | Property Owner | Development Status | Taxable Acres | FY 2021/22 Maximum Special Tax | FY 2021/22 Special Tax | Percentage of Applied Special Tax | Bonded Indebtedness ² |
|---|-----------------------------|--------------------------|---------------|--------------------------------|------------------------|-----------------------------------|----------------------------------|
| 291-110-032 | MORENO VALLEY MALL HOLDING | Developed | 31.09 | \$ 138,350.50 | \$ 26,059.54 | 22.89% | \$ 295,228.93 |
| 291-110-033 | MORENO VALLEY MALL HOLDING | Developed | 7.43 | 33,063.50 | 6,227.80 | 5.47% | 70,554.87 |
| 291-110-034 | MORENO VALLEY MALL HOLDINGS | Developed | 9.58 | 42,631.00 | 8,029.94 | 7.05% | 90,971.15 |
| 291-110-035 | MILBANK REAL ESTATE | Developed | 10.51 | 46,769.50 | 8,809.46 | 7.74% | 99,802.38 |
| 291-110-036 | J C PENNEY PROP INC | Developed | 10.13 | 45,078.50 | 8,490.94 | 7.46% | 96,193.92 |
| 291-110-037 | MACYS CALIF INC | Developed | 11.41 | 50,774.50 | 9,563.84 | 8.40% | 108,348.73 |
| Tax Rate Area 1 (59%) | | | 80.15 | \$ 356,667.50 | \$ 67,181.52 | 59.00% | \$ 761,100.00 |
| 291-110-039 | COSTCO WHOLESALE CORP | Developed | 12.69 | \$ 48,856.50 | \$ 9,374.00 | 8.23% | \$ 106,198.43 |
| 291-110-040 | NEAL T BAKER ENTERPRISES | Developed | 0.75 | 2,887.50 | 554.00 | 0.49% | 6,276.50 |
| 291-110-041 | CFT DEV | Developed | 0.77 | 2,964.50 | 568.78 | 0.50% | 6,443.88 |
| 291-650-001 | LEW LA FAYETTE PROP | Developed | 1.50 | 5,775.00 | 1,108.02 | 0.97% | 12,553.01 |
| 291-650-002 | WINCO FOODS | Developed | 10.94 | 42,119.00 | 8,081.30 | 7.10% | 91,553.26 |
| 291-650-003 | QUICK QUACK DEV II | Developed | 0.94 | 3,619.00 | 694.36 | 0.61% | 7,866.55 |
| 291-650-004 | GATEWAY CO | Undeveloped ¹ | 1.96 | 7,546.00 | 1,447.82 | 1.27% | 16,402.59 |
| 291-650-005 | GATEWAY CO | Undeveloped ¹ | 1.95 | 7,507.50 | 1,440.44 | 1.27% | 16,318.91 |
| 291-650-006 | GATEWAY CO | Undeveloped ¹ | 1.90 | 7,315.00 | 1,403.50 | 1.23% | 15,900.47 |
| 291-650-007 | MORENO VALLEY M.O.B. | Undeveloped ¹ | 1.56 | 6,006.00 | 1,152.36 | 1.01% | 13,055.13 |
| 291-650-018 | SDG INV | Developed | 1.05 | 4,042.50 | 775.64 | 0.68% | 8,787.10 |
| 291-650-020 | GATEWAY CO | Undeveloped ¹ | 1.29 | 4,966.50 | 952.90 | 0.84% | 10,795.59 |
| 291-650-021 | FOUR QUARTS & ASSOCIATES | Developed | 1.42 | 5,467.00 | 1,048.94 | 0.92% | 11,883.51 |
| 291-650-033 | MV MMP INC | Developed | 2.31 | 8,893.50 | 1,706.38 | 1.50% | 19,331.63 |
| 291-650-034 | GATEWAY CO | Undeveloped ¹ | 1.74 | 6,699.00 | 1,285.32 | 1.13% | 14,561.49 |
| 291-660-001 | GATEWAY CO | Developed | 1.15 | 4,427.50 | 849.48 | 0.75% | 9,623.97 |
| 291-660-002 | GATEWAY CO | Developed | 1.23 | 4,735.50 | 908.58 | 0.80% | 10,293.47 |
| 291-660-003 | IRURY | Developed | 1.13 | 4,350.50 | 834.72 | 0.73% | 9,456.60 |
| 291-660-004 | GALA DEV PARTNERS | Undeveloped ¹ | 1.13 | 4,350.50 | 834.72 | 0.73% | 9,456.60 |
| 291-660-028 | AYRES MORENO VALLEY | Developed | 2.76 | 10,626.00 | 2,038.78 | 1.79% | 23,097.53 |
| 291-660-029 | BRE POLYGON PROP OWNER | Developed | 2.39 | 9,201.50 | 1,765.46 | 1.55% | 20,001.12 |
| 291-660-033 | GATEWAY CO | Undeveloped ¹ | 1.04 | 4,004.00 | 768.24 | 0.67% | 8,703.42 |
| 291-660-034 | CHWV MORENO | Developed | 1.18 | 4,543.00 | 871.64 | 0.77% | 9,875.03 |
| 291-660-035 | LIU CHE CHEN | Developed | 3.80 | 14,630.00 | 2,807.02 | 2.47% | 31,800.95 |
| 291-660-040 | GATEWAY CO | Developed | 1.53 | 5,890.50 | 1,130.20 | 0.99% | 12,804.07 |
| 291-660-042 | GATEWAY CO | Developed | 1.40 | 5,390.00 | 1,034.16 | 0.91% | 11,716.14 |
| 291-660-043 | GATEWAY CO | Developed | 1.69 | 6,506.50 | 1,248.38 | 1.10% | 14,143.05 |
| Tax Rate Area 2 (41%) | | | 63.20 | \$ 243,320.00 | \$ 46,685.14 | 41.00% | \$ 528,900.00 |
| Total | | | 143.35 | \$ 599,987.50 | \$ 113,866.66 | 100.00% | \$ 1,290,000.00 |
| ¹ APNs which are Undeveloped, but have constructed certain parcel improvements. | | | | | | | |
| ² The Bonded Indebtedness is calculated based on the proration of each parcels' Maximum Special Tax multiplied by the Bonds outstanding. Bonds are not allocated to or secured by any particular parcel within the District. | | | | | | | |
| Source: Property Owners - Riverside County Property Tax Roll Information - list dated April 9, 2021. | | | | | | | |

Special Tax Allocation with Delinquencies

| Assessor's Parcel Number | Property Owner | Development Status | Taxable Acres | FY 2021/22 Maximum Special Tax | FY 2021/22 Special Tax | Percentage of Applied Special Tax | Bonded Indebtedness ² |
|---|-----------------------------|--------------------------|---------------|--------------------------------|------------------------|-----------------------------------|----------------------------------|
| 291-110-032 | MORENO VALLEY MALL HOLDING | Developed | 31.09 | \$ 138,350.50 | \$ 26,059.54 | 22.80% | \$ 295,228.93 |
| 291-110-033 | MORENO VALLEY MALL HOLDING | Developed | 7.43 | 33,063.50 | 6,227.80 | 5.45% | 70,554.87 |
| 291-110-034 | MORENO VALLEY MALL HOLDINGS | Developed | 9.58 | 42,631.00 | 8,029.94 | 7.03% | 90,971.15 |
| 291-110-035 | MILBANK REAL ESTATE | Developed | 10.51 | 46,769.50 | 8,809.46 | 7.71% | 99,802.38 |
| 291-110-036 | J C PENNEY PROP INC | Developed | 10.13 | 45,078.50 | 8,490.94 | 7.43% | 96,193.92 |
| 291-110-037 | MACYS CALIF INC | Developed | 11.41 | 50,774.50 | 9,563.84 | 8.37% | 108,348.73 |
| Tax Rate Area 1 (59%) | | | 80.15 | \$ 356,667.50 | \$ 67,181.52 | 58.79% | \$ 761,100.00 |
| 291-110-039 | COSTCO WHOLESALE CORP | Developed | 12.69 | \$ 48,856.50 | \$ 9,456.60 | 8.28% | \$ 106,198.43 |
| 291-110-040 | NEAL T BAKER ENTERPRISES | Developed | 0.75 | 2,887.50 | 558.88 | 0.49% | 6,276.50 |
| 291-110-041 | CFT DEV | Developed | 0.77 | 2,964.50 | 573.80 | 0.50% | 6,443.88 |
| 291-650-001 | LEW LA FAYETTE PROP | Developed | 1.50 | 5,775.00 | 1,117.80 | 0.98% | 12,553.01 |
| 291-650-002 | WINCO FOODS | Developed | 10.94 | 42,119.00 | 8,152.50 | 7.13% | 91,553.26 |
| 291-650-003 | QUICK QUACK DEV II | Developed | 0.94 | 3,619.00 | 700.48 | 0.61% | 7,866.55 |
| 291-650-004 | GATEWAY CO | Undeveloped ¹ | 1.96 | 7,546.00 | 1,460.58 | 1.28% | 16,402.59 |
| 291-650-005 | GATEWAY CO | Undeveloped ¹ | 1.95 | 7,507.50 | 1,453.14 | 1.27% | 16,318.91 |
| 291-650-006 | GATEWAY CO | Undeveloped ¹ | 1.90 | 7,315.00 | 1,415.88 | 1.24% | 15,900.47 |
| 291-650-007 | MORENO VALLEY M.O.B. | Undeveloped ¹ | 1.56 | 6,006.00 | 1,162.50 | 1.02% | 13,055.13 |
| 291-650-018 | SDG INV | Developed | 1.05 | 4,042.50 | 782.46 | 0.68% | 8,787.10 |
| 291-650-020 | GATEWAY CO | Undeveloped ¹ | 1.29 | 4,966.50 | 961.30 | 0.84% | 10,795.59 |
| 291-650-021 | FOUR QUARTS & ASSOCIATES | Developed | 1.42 | 5,467.00 | 1,058.18 | 0.93% | 11,883.51 |
| 291-650-033 | MV MMP INC | Developed | 2.31 | 8,893.50 | 1,721.40 | 1.51% | 19,331.63 |
| 291-650-034 | GATEWAY CO | Undeveloped ¹ | 1.74 | 6,699.00 | 1,296.64 | 1.13% | 14,561.49 |
| 291-660-001 | GATEWAY CO | Developed | 1.15 | 4,427.50 | 856.98 | 0.75% | 9,623.97 |
| 291-660-002 | GATEWAY CO | Developed | 1.23 | 4,735.50 | 916.58 | 0.80% | 10,293.47 |
| 291-660-003 | IRURY | Developed | 1.13 | 4,350.50 | 842.06 | 0.74% | 9,456.60 |
| 291-660-004 | GALA DEV PARTNERS | Undeveloped ¹ | 1.13 | 4,350.50 | 842.06 | 0.74% | 9,456.60 |
| 291-660-028 | AYRES MORENO VALLEY | Developed | 2.76 | 10,626.00 | 2,056.74 | 1.80% | 23,097.53 |
| 291-660-029 | BRE POLYGON PROP OWNER | Developed | 2.39 | 9,201.50 | 1,781.02 | 1.56% | 20,001.12 |
| 291-660-033 | GATEWAY CO | Undeveloped ¹ | 1.04 | 4,004.00 | 775.00 | 0.68% | 8,703.42 |
| 291-660-034 | CHWV MORENO | Developed | 1.18 | 4,543.00 | 879.32 | 0.77% | 9,875.03 |
| 291-660-035 | LIU CHE CHEN | Developed | 3.80 | 14,630.00 | 2,831.76 | 2.48% | 31,800.95 |
| 291-660-040 | GATEWAY CO | Developed | 1.53 | 5,890.50 | 1,140.14 | 1.00% | 12,804.07 |
| 291-660-042 | GATEWAY CO | Developed | 1.40 | 5,390.00 | 1,043.28 | 0.91% | 11,716.14 |
| 291-660-043 | GATEWAY CO | Developed | 1.69 | 6,506.50 | 1,259.38 | 1.10% | 14,143.05 |
| Tax Rate Area 2 (41%) | | | 63.20 | \$ 243,320.00 | \$ 47,096.46 | 41.21% | \$ 528,900.00 |
| Total | | | 143.35 | \$ 599,987.50 | \$ 114,277.98 | 100.00% | \$ 1,290,000.00 |
| ¹ APNs which are Undeveloped, but have constructed certain parcel improvements. ² The Bonded Indebtedness is calculated based on the proration of each parcels' Maximum Special Tax multiplied by the Bonds outstanding. Bonds are not allocated to or secured by any particular parcel within the District. Source: Property Owners - Riverside County Property Tax Roll Information - list dated April 9, 2021. | | | | | | | |

E. DELINQUENCIES

For FY 2007/08 through 2020/21, the special tax obligation was funded through the collection of special taxes and TI, pursuant to the Agency Improvement Area Agreement. As of the date of this report, the 2nd installment payment for one (1) parcel in Tax Rate Area 2 has not been made. There are no delinquencies in the District for prior years.

Any adjustments for delinquent installments or to replenish the Reserve Account for withdrawals resulting from the delinquency in the payment of special taxes will only come from the Tax Rate Area that incurred the delinquency. The property located in Tax Rate Area 1 cannot be charged with a delinquency caused by property located in Tax Rate Area 2.

Table 11: Current Delinquencies

| Fiscal Year | No. of Parcels Levied | Amount Levied | No. of Parcels Delinquent ¹ | Amount Delinquent | Percent Delinquent |
|--------------------|--------------------------------------|----------------------|---|------------------------------|-------------------------------|
| 2008/09 | 35 | 108,706.00 | 0 | 0.00 | 0.00% |
| 2009/10 | 34 | 78,519.00 | 0 | 0.00 | 0.00% |
| 2010/11 | 34 | 112,162.00 | 0 | 0.00 | 0.00% |
| 2011/12 | 34 | 115,946.00 | 0 | 0.00 | 0.00% |
| 2012/13 | 34 | 110,672.00 | 0 | 0.00 | 0.00% |
| 2013/14 | 34 | 117,164.00 | 0 | 0.00 | 0.00% |
| 2014/15 | 34 | 114,069.54 | 0 | 0.00 | 0.00% |
| 2015/16 | 33 | 114,070.40 | 0 | 0.00 | 0.00% |
| 2016/17 | 33 | 16,083.08 | 0 | 0.00 | 0.00% |
| 2017/18 | 33 | 115,219.76 | 0 | 0.00 | 0.00% |
| 2018/19 | 33 | 112,239.22 | 0 | 0.00 | 0.00% |
| 2019/20 | 33 | 109,548.20 | 0 | 0.00 | 0.00% |
| 2020/21 | 33 | 103,192.62 | 1 | 411.32 | 0.40% |

¹ Amount delinquent per the Riverside County website
(<https://taxpayments.co.riverside.ca.us/taxpayments/Search.aspx>) as of April 26, 2021.

F. FORECLOSURE ACTIONS

In the event of any delinquencies, the District has covenanted for the benefit of the owners of the Bonds, that it shall commence and diligently pursue judicial foreclosure proceedings against parcels with delinquent special taxes in excess of \$1,000 by October 1 following the close of the fiscal year in which such special taxes were due, and the District shall commence and diligently pursue judicial foreclosure proceedings against all parcels with delinquent special taxes by October 1 following the close of any fiscal year in which it receives special taxes in an amount that is less than 90% of the total special tax levied for the fiscal year.

Appendix A: PROPERTY TAX INCREMENT ANALYSIS

A. TAX INCREMENT CONTRIBUTION

In connection with the issuance of the Bonds, the District has covenanted in the Bond Indenture that each year it will levy special taxes up to the maximum rates permitted under the RMA in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay the principal and interest on any Outstanding Bonds to which the special taxes are pledged, to replenish the Reserve Account and to pay the estimated Administrative Expenses.

On April 13, 1993, prior to the issuance of the Improvement Area bonds, the Agency and the City, acting on behalf of the CFD No. 87-1, entered into a Cooperation and Reimbursement Agreement (CFD No. 87-1 Improvement Area Bonds) (the "1993 Cooperation Agreement"). Pursuant to Section 305, of the 1993 Cooperation Agreement, the Agency is obligated to pay 100% of the FY's TI, up to the amount necessary to pay 70.3% of the Debt Service.

Additionally, the City, on behalf of the District and the Agency, entered into an Agency Improvement Area Agreement, adopted on October 23, 2007 (Resolution No. RDA 2007-09), in connection with the issuance of the Special Tax Refunding Bonds, which restated the agreement of the Agency to make payments to the District based upon the percentages and terms set forth in the RMA.

In June of 2011, the California Legislature approved trailer bills AB 1x 26 and AB 1x 27 to dissolve redevelopment agencies. On January 10, 2012, the Moreno Valley City Council adopted Resolution No. 2012-04, which names the City of Moreno Valley as the Successor Agency to the Agency to discharge the obligations of the former Agency.

Given the dissolution of the Agency and process established to discharge its obligations, the Successor Agency, submits a ROPS, which includes the calculation of the payment of available TI toward the District Special Tax. For FY 2021/22, the TI contribution is \$277,847.22, which is based upon 70.3% of the gross special tax calculation, less the delinquencies, of \$395,230.76 (as identified in Table 8). The County Board and DOF have approved the payment of TI for this purpose through June 2022. If future TI is unavailable, debt service payment obligations will be met through the collection of the special taxes, consistent with the terms of the RMA.

Appendix B: Bond Accountability Report (SB 165)

This Bond Accountability Report is required to demonstrate the special tax requirement for each parcel within the District to meet the debt service requirements of the Bonds. Based upon the special tax requirement as calculated in Table 8, the FY 2021/22 special tax levy for each assessable parcel within the District is shown in Table 10.

The Local Agency Special Tax Bond and Accountability Act (“Act”), enacted by Senate Bill 165 and codified in the California Government Code Sections 53410 through 53412, requires local agencies to submit an annual report to its governing body on local bond measures sold after January 1, 2001. In addition to the Annual Special Tax Report, this report also serves as the Annual Bond Accountability Report as required per the Act. The purpose of the report is to comply with Section 53411 of the Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain 1) the amount of funds collected and expended and 2) the status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.”

All improvements for the District were completed prior to the issuance of Bonds. As a result, there were no improvement/construction funds associated with the issuance of the Bonds. The table on the following page represents the deposits and expenditures for the District, which were extracted from the City’s FY 2019/20 audited financials. The special tax levied, as shown in Table 10, is to pay the difference between the administrative expenses and debt service (principal and interest) and the allowable TI contribution.

| District | Date Bonds Issued | Initial Amount Deposited to Improvement / Construction Fund | Balance as of December 31, 2019 | Expended Amount to Date | Project Status |
|----------------------------------|--------------------------|--|--|--------------------------------|-----------------------|
| CFD 87-1, Improvement Area No. 1 | Nov. 29, 2007 | N/A | N/A | N/A | Completed |

For additional information, please see Section II Financial Information of this report.



Trial Balance Listing

Through 06/30/20

Detail Listing

Exclude Rollup Account

| Account | Account Description | Balance Forward | YTD Debits | YTD Credits | Ending Balance |
|------------|---|-----------------|---------------------|---------------------|----------------|
| Fund | 4105 - 2007 TOWNGATE IMPR REFUNDING | | | | |
| Department | 99 - Non-Department | | | | |
| Division | 99 - Non-departmental | | | | |
| Section | 94105 - Non-Dept TOWGATE IMPR SPCL TAX | | | | |
| 404000 | Special Taxes | .00 | 4,184.79 | 92,674.13 | (88,489.34) |
| 460010 | Interest Income - Investments | .00 | .00 | 8,007.68 | (8,007.68) |
| 620299 | Professional Svcs - Other | .00 | 3,950.00 | .00 | 3,950.00 |
| 620320 | Agency Svcs - Cnty | .00 | 102.72 | .00 | 102.72 |
| 670314 | Bond Principal | .00 | 290,000.00 | .00 | 290,000.00 |
| 670410 | Interest Expense | .00 | 68,536.26 | .00 | 68,536.26 |
| 679010 | Expenditure Close to Bal | .00 | 9,296.35 | 12,236.15 | (2,939.80) |
| 692020 | Admin Chrg - Special Dist | .00 | 14,036.00 | .00 | 14,036.00 |
| 804800 | Transfers In - From SUCCESSOR AGENCY ADMIN FUND | .00 | .00 | 277,188.16 | (277,188.16) |
| Section | 94105 - Non-Dept TOWGATE IMPR SPCL TAX | \$0.00 | \$390,106.12 | \$390,106.12 | \$0.00 |
| Division | 99 - Non-departmental Totals | \$0.00 | \$390,106.12 | \$390,106.12 | \$0.00 |
| Department | 99 - Non-Department Totals | \$0.00 | \$390,106.12 | \$390,106.12 | \$0.00 |

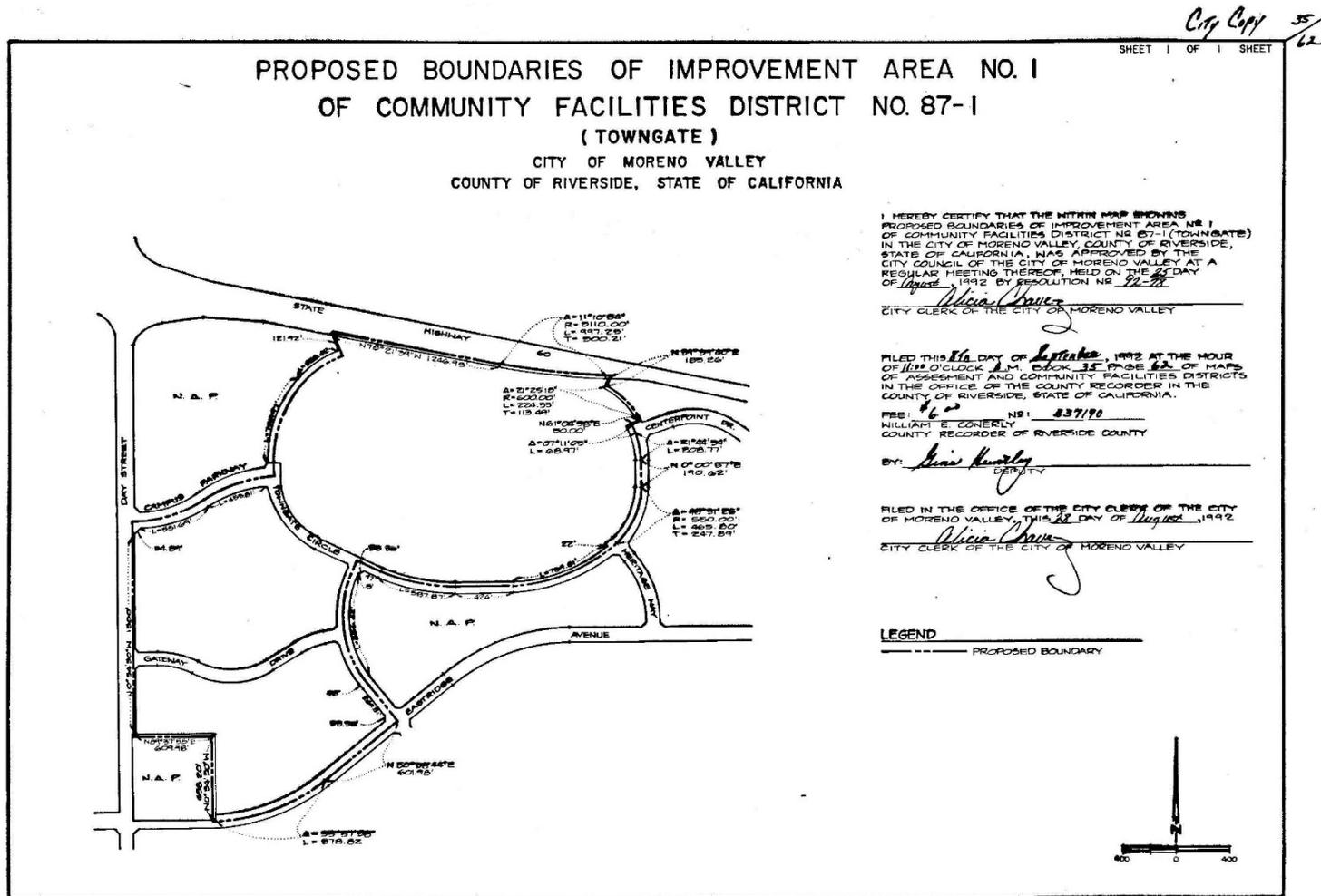
Appendix C: Debt Service Schedule

**CITY OF MORENO VALLEY
COMMUNITY FACILITIES DISTRICT NO. 87-1 (TOWNGATE) IMPROVEMENT AREA NO. 1
SPECIAL TAX REFUNDING BONDS**

Dated Date 29-Nov-07 Last Maturity 1-Oct-23
Issue Date 29-Nov-07 First Coupon 1-Apr-08
First Maturity 1-Oct-08

| Date | Principal | Interest Rate | Interest | Total Debt Service | Annual Debt Service | Principal Remaining |
|--------------|---------------------|---------------|------------------------|------------------------|------------------------|---------------------|
| 1-Apr-08 | \$ - | | \$ 60,994.49 | \$ 60,994.49 | - | \$ 4,075,000 |
| 1-Oct-08 | 220,000 | 3.750% | 89,991.88 | 309,991.88 | \$ 370,986.37 | 3,855,000 |
| 1-Apr-09 | - | | 85,866.88 | 85,866.88 | - | 3,855,000 |
| 1-Oct-09 | 190,000 | 3.900% | 85,866.88 | 275,866.88 | 361,733.76 | 3,665,000 |
| 1-Apr-10 | - | | 82,161.88 | 82,161.88 | - | 3,665,000 |
| 1-Oct-10 | 195,000 | 4.050% | 82,161.88 | 277,161.88 | 359,323.76 | 3,470,000 |
| 1-Apr-11 | - | | 78,213.13 | 78,213.13 | - | 3,470,000 |
| 1-Oct-11 | 205,000 | 4.150% | 78,213.13 | 283,213.13 | 361,426.26 | 3,265,000 |
| 1-Apr-12 | - | | 73,959.38 | 73,959.38 | - | 3,265,000 |
| 1-Oct-12 | 210,000 | 4.000% | 73,959.38 | 283,959.38 | 357,918.76 | 3,055,000 |
| 1-Apr-13 | - | | 69,759.38 | 69,759.38 | - | 3,055,000 |
| 1-Oct-13 | 220,000 | 4.100% | 69,759.38 | 289,759.38 | 359,518.76 | 2,835,000 |
| 1-Apr-14 | - | | 65,249.38 | 65,249.38 | - | 2,835,000 |
| 1-Oct-14 | 230,000 | 4.200% | 65,249.38 | 295,249.38 | 360,498.76 | 2,605,000 |
| 1-Apr-15 | - | | 60,419.38 | 60,419.38 | - | 2,605,000 |
| 1-Oct-15 | 240,000 | 4.250% | 60,419.38 | 300,419.38 | 360,838.76 | 2,365,000 |
| 1-Apr-16 | - | | 55,319.38 | 55,319.38 | - | 2,365,000 |
| 1-Oct-16 | 250,000 | 4.375% | 55,319.38 | 305,319.38 | 360,638.76 | 2,115,000 |
| 1-Apr-17 | - | | 49,850.63 | 49,850.63 | - | 2,115,000 |
| 1-Oct-17 | 260,000 | 4.500% | 49,850.63 | 309,850.63 | 359,701.26 | 1,855,000 |
| 1-Apr-18 | - | | 44,000.63 | 44,000.63 | - | 1,855,000 |
| 1-Oct-18 | 275,000 | 4.600% | 44,000.63 | 319,000.63 | 363,001.26 | 1,580,000 |
| 1-Apr-19 | - | | 37,675.63 | 37,675.63 | - | 1,580,000 |
| 1-Oct-19 | 290,000 | 4.700% | 37,675.63 | 327,675.63 | 365,351.26 | 1,290,000 |
| 1-Apr-20 | - | | 30,860.63 | 30,860.63 | - | 1,290,000 |
| 1-Oct-20 | 300,000 | 4.700% | 30,860.63 | 330,860.63 | 361,721.26 | 990,000 |
| 1-Apr-21 | - | | 23,810.63 | 23,810.63 | - | 990,000 |
| 1-Oct-21 | 315,000 | 4.750% | 23,810.63 | 338,810.63 | 362,621.26 | 675,000 |
| 1-Apr-22 | - | | 16,329.38 | 16,329.38 | - | 675,000 |
| 1-Oct-22 | 330,000 | 4.800% | 16,329.38 | 346,329.38 | 362,658.76 | 345,000 |
| 1-Apr-23 | - | | 8,409.38 | 8,409.38 | - | 345,000 |
| 1-Oct-23 | 345,000 | 4.875% | 8,409.38 | 353,409.38 | 361,818.76 | - |
| Total | \$ 4,075,000 | | \$ 1,714,757.77 | \$ 5,789,757.77 | \$ 5,789,757.77 | |

Appendix D: District Boundary Map



Appendix E: Towngate Development Sites

