

GENERAL PLAN

LOMAS ENCANTADAS/ENCHANTED HILLS
PUBLIC IMPROVEMENT DISTRICT

SUBMITTED BY

AMREP Southwest Inc.
333 Rio Rancho Drive, Suite 400
Rio Rancho, NM 87124

MAY 13, 2016

I. INTRODUCTION

Pursuant to the provisions of the Public Improvement District Act, NMSA 1978 Sections 5-11-1 through 5-11-27 (2001, as amended) (the "Act"), the City of Rio Rancho Public Improvement District Guidelines and Applications Procedures (the "Policy"), and in connection with the proceedings for the LOMAS ENCANTADAS/ENCHANTED HILLS PUBLIC IMPROVEMENT DISTRICT (hereinafter referred to as the "District" or "PID"), Petitioner AMREP Southwest Inc. (hereinafter referred to as "Developer") submits this General Plan of the PID (the "General Plan").

Pursuant to NMSA 1978, Sections 5-11-2.1 (2013) and -3 (2013) and the Policy, this General Plan contains the following:

1. A map depicting the boundaries of the PID and the real property proposed to be included in the PID;
2. A general description of the public improvements anticipated to be financed and/or maintained by the PID and their locations;
3. General cost estimates for said improvements;
4. The annual operation and maintenance costs of the public infrastructure, including estimated working capital needs and adequate funds for enhanced services and repair and replacement of infrastructure;
5. Governmental approvals required for both the public and private improvements to be constructed and operated;
6. Proposed financing methods and anticipated tax levies, special levies, or charges; and
7. Possible alternatives, modifications, or substitutions concerning the locations, improvements, financing methods and other information provided in this General Plan.

III. DESCRIPTION AND LOCATION OF PUBLIC IMPROVEMENTS AND SERVICES

A. DESCRIPTION OF PUBLIC IMPROVEMENTS

The public improvements costs which may be financed, paid, and/or reimbursed by the District, are expected to include, but are not limited to, on-site and off-site roads, sanitary sewer, water, drainage improvements, park and trail improvements, landscaping, grading, and various soft costs, which soft costs may include but are not limited to planning, design, engineering, construction, testing, construction management, inspection, fees, gross receipts taxes, contingencies, and incidental or necessary expenses or expenditures for the foregoing improvements constructed and installed by the Developer to serve the land, in conformity with all relevant plans, specifications, requirements and standards of the City and in accordance with applicable plats, site development plans, and subdivision improvements agreements. The Developer will initially pay for all the costs of installing the infrastructure from its own funding sources, subject to reimbursement for the PID funded infrastructure.

1. LOMAS ENCANTADAS PID PROJECT

The Lomas Encantadas PID Project public improvements which may be financed, paid, and/or reimbursed by the PID, are anticipated to include, but are not limited to, the following:

- On-site roads including, but not limited to, the collector roads of Camino Encantadas, Kodiak Road, and Aldan Drive;
- Sanitary sewer collection facilities including, but not limited to, the on-site collection lines of 12" in diameter located in Camino Encantadas;
- Water transmission facilities including, but not limited to, the on-site collection lines of 16" in diameter located in Camino Encantadas and 8" in diameter located in Kodiak Road, Nacelle Road, and Nagoya Road;
- Storm drain lines of 54", 56", 60", 66", and 84" in diameter located in Camino Encantadas;
- Off-site road, sewer, and drainage improvements within the right-of-way for Camino Encantadas; and
- Park and trail improvements, landscaping along collector roads, and barrier walls.

2. ENCHANTED HILLS PID PROJECT

The Enchanted Hills PID Project public improvements which may be financed, paid, and/or reimbursed by the PID, are anticipated to include, but are not limited to, the following:

- On-site roads including, but not limited to, the local roads of Colfax Place NE, Valencia Drive NE, Eddy Place NE, and Sandoval Drive NE;

- The City and Petitioner entered into a Development Agreement on November 17, 1993; and
- The preliminary plat was approved by the Planning and Zoning commission on September 29, 1992, and approved for R-1 zoning.

The status of the licenses, agreements and permits necessary for the Enchanted Hills PID Project is summarized below.

- The Enchanted Hills PID Project is subject to a permit under Section 404 of the Clean Water Act. The original application for permit under Section 404 of the Clean Water Act was made in August 2004, and the permit was subsequently issued;
- Archaeological survey and mitigation have been completed for all lands within the PID; and
- The City is expected to assume water and sewer availability.

C. DESCRIPTION OF ENHANCED SERVICES

The PID will not fund any enhanced services.

D. LOCATION OF PUBLIC IMPROVEMENTS

Maps identifying the locations of the off-site public improvements are shown in Exhibit C. The on-site public improvements will generally be located within or adjacent to each subdivision, and will be more specifically identified in the improvement plans applicable thereto. As mentioned in Section III.A above, the Developer will be responsible for the portion of the cost of such improvements that is not funded by the PID. The PID financed public improvements will be located in or on lands, easements, or rights of ways to be owned by the City of Rio Rancho.

TABLE 2
LOMAS ENCANTADAS/ENCHANTED HILLS PID
LOMAS ENCANTADAS PID PROJECT
ESTIMATED ON-SITE INFRASTRUCTURE COSTS

CATEGORY	GRAND TOTAL	PUBLIC IMPROVEMENTS	PRIVATE IMPROVEMENTS
HARD COSTS			
ROADWAYS			
GRADING	\$777,532	\$777,532	\$0
PAVING	\$4,712,537	\$4,712,537	\$0
SIDEWALKS	\$527,824	\$527,824	\$0
STREET LIGHTS	\$176,197	\$176,197	\$0
LANDSCAPING	\$28,293	\$28,293	\$0
SEWER	\$2,239,990	\$2,239,990	\$0
WATER	\$1,882,980	\$1,882,980	\$0
DRAINAGE	\$1,226,457	\$1,226,457	\$0
BLOCK WALLS	\$3,978,789	\$0	\$3,978,789
MASS GRADING	\$2,756,704	\$0	\$2,756,704
DRY UTILITIES	\$2,156,872	\$0	\$2,156,872
SUBTOTAL	\$20,464,175	\$11,571,810	\$8,892,365
SOFT COSTS			
PLANNING & ENGINEERING	\$2,512,745	\$2,512,745	\$0
FEEES	\$271,660	\$0	\$271,660
MISCELLANEOUS EXPENSE	\$116,775	\$0	\$116,775
CONSTRUCTION CONTINGENCY	\$1,059,650	\$628,355	\$431,295
SUBTOTAL	\$3,960,830	\$3,141,100	\$819,730
TOTAL PROJECT COST	\$24,425,005	\$14,712,910	\$9,712,095

V. WORKING CAPITAL AND OPERATION AND MAINTENANCE OF PUBLIC INFRASTRUCTURE

PID funded infrastructure will be dedicated to the City. The City (with the exception of public parks, trails, and parkway and median landscaping) will fund the operation and maintenance of the improvements. The operation and maintenance of the public parks, trails, and parkway and median landscaping will be the responsibility of the appropriate homeowner's associations. The PID will not fund any enhanced services. Annual operation and maintenance ("O & M") costs of the public improvements for the first twenty-five (25) years is estimated at approximately \$55,120³. Actual costs will be contingent on personnel efficiency and experience, and overall availability of operation equipment and tools that can impact the means and methods of the operation.

³ Four and one-half percent (4.50%) of total public improvement costs.

for single-family homes is estimated at 8.37 per dwelling unit for each of the Lomas Encantadas PID Project and the Enchanted Hills PID Project. Trip generation estimates are summarized in Table 4 below.

LEVY CLASSIFICATION / DENSITY	DUs	AVERAGE DAILY TRIPS PER DU	TOTAL TRIPS	PID PROJECT	
				TOTAL	EXCLUDING UNIT 2D
LOMAS ENCANTADAS PID PROJECT					
1A (< 2 DUS / ACRE)	105	8.62	905.10	11.44%	12.57%
1B (2 TO 4 DUS / ACRE)	363	8.62	3,129.06	39.54%	43.47%
1C (4 TO 6 DUS / ACRE)	367	8.62	3,163.54	39.98%	43.95%
2 (UNIT 2D 4 TO 6 DUS / ACRE)	83	8.62	715.46	9.04%	N/A
SUBTOTAL LOMAS ENCANTADAS PID PROJECT	918	N/A	7,913.16	100.00%	100.00%
ENCHANTED HILLS PID PROJECT					
3 (4 TO 6 DUS / ACRE)	119	8.62	1,025.78	100.00%	N/A
SUBTOTAL ENCHANTED HILLS PID PROJECT	119	N/A	1,025.78	N/A	N/A
GRAND TOTAL	1,037	N/A	8,938.94	N/A	N/A

2. WATER USAGE

Peak demand is the primary determinant for the capacity of water and sanitary sewer systems, and it is typically a function of household size for residential development. Waterline sizes are based upon the City of Rio Rancho's Development Manual's (the "Development Manual") average peak residential water demand of 650 gallons per day ("GPD") per dwelling unit. Estimated peak water demand factors within the Lomas Encantadas PID Project and Enchanted Hills PID Project are summarized in Table 5 below.

LEVY CLASSIFICATION / DENSITY	DUs	PEAK WATER DEMAND / DU (GPD)	TOTAL PEAK WATER DEMAND (GPD)	PID PROJECT	
				TOTAL	EXCLUDING UNIT 2D
LOMAS ENCANTADAS PID PROJECT					
1A (< 2 DUS / ACRE)	105	650.00	68,250.00	11.44%	12.57%
1B (2 TO 4 DUS / ACRE)	363	650.00	235,950.00	39.54%	43.47%
1C (4 TO 6 DUS / ACRE)	367	650.00	238,550.00	39.98%	43.95%
2 (UNIT 2D 4 TO 6 DUS / ACRE)	83	650.00	53,950.00	9.04%	N/A
SUBTOTAL LOMAS ENCANTADAS PID PROJECT	918	N/A	596,700.00	100.00%	100.00%
ENCHANTED HILLS PID PROJECT					
3 (4 TO 6 DUS / ACRE)	119	650.00	77,350.00	100.00%	N/A
SUBTOTAL ENCHANTED HILLS PID PROJECT	119	N/A	77,350.00	100.00%	N/A
GRAND TOTAL	1,037	N/A	674,050.00	N/A	N/A

3. SANITARY SEWER USAGE

TABLE 7					
LOMAS ENCANTADAS/ENCHANTED HILLS PID					
ESTIMATED IMPERVIOUS AREA					
LAND USE / LEVY CLASSIFICATION	ESTIMATED GROSS ACRES	IMPERVIOUS COVERAGE FACTOR	ESTIMATED IMPERVIOUS AREA	PID PROJECT	
				TOTAL	EXCLUDING UNIT 2D
LOMAS ENCANTADAS PID PROJECT					
1A (< 2 DUS / ACRE)	86.5000	19%	16.4350	15.65%	17.08%
1B (2 TO 4 DUS / ACRE)	135.6000	32%	43.3920	41.33%	45.10%
1C (4 TO 6 DUS / ACRE)	75.8000	48%	36.3840	34.66%	37.82%
2 (UNIT 2D 4 TO 6 DUS / ACRE)	20.4000	43%	8.7720	8.36%	N/A
SUBTOTAL LOMAS ENCANTADAS PID PROJECT	318.3000	N/A	104.9830	100.00%	100.00%
ENCHANTED HILLS PID PROJECT					
3 (4 TO 6 DUS / ACRE)	27.0000	45%	12.1500	100.00%	N/A
SUBTOTAL ENCHANTED HILLS PID PROJECT	27.0000	N/A	12.1500	100.00%	N/A
GRAND TOTAL	345.3000	N/A	117.1330	N/A	N/A

5. PARK USE

Park use is estimated to be a function of population. An average household size of 3.0 is assumed for single family homes. Population estimates for the Lomas Encantadas PID Project and Enchanted Hills Project are shown in Table 8 below.

TABLE 8					
LOMAS ENCANTADAS/ENCHANTED HILLS PID					
ESTIMATED POPULATION					
LAND USE / LEVY CLASSIFICATION	DUs	POPULATION PER DU	ESTIMATED POPULATION	PID PROJECT	
				TOTAL	EXCLUDING UNIT 2D
LOMAS ENCANTADAS PID PROJECT					
1A (< 2 DUS / ACRE)	105	3.0	315.00	11.44%	12.57%
1B (2 TO 4 DUS / ACRE)	363	3.0	1,089.00	39.54%	43.47%
1C (4 TO 6 DUS / ACRE)	367	3.0	1,101.00	39.98%	43.95%
2 (UNIT 2D 4 TO 6 DUS / ACRE)	83	3.0	249.00	9.04%	N/A
SUBTOTAL LOMAS ENCANTADAS PID PROJECT	918	N/A	2,754.00	100.00%	100.00%
ENCHANTED HILLS PID PROJECT					
3 (4 TO 6 DUS / ACRE)	119	3.0	357.00	100.00%	N/A
SUBTOTAL ENCHANTED HILLS PID PROJECT	119	N/A	357.00	100.00%	N/A
GRAND TOTAL	1,037	N/A	3,111.00	N/A	N/A

TABLE 9 LOMAS ENCANTADAS/ENCHANTED HILLS PID LOMAS ENCANTADAS PID PROJECT AGGREGATE ALLOCATED PID OFF-SITE IMPROVEMENT COSTS						
LAND USE	TOTAL	ROADS	WATER	SANITARY SEWER	STORM DRAINAGE	PARKS
1A (< 2 DUS · ACRE)	\$1,727,464	\$653,626	\$102,027	\$45,330	\$691,045	\$235,436
1B (2 TO 4 DUS · ACRE)	\$5,407,557	\$2,259,678	\$352,721	\$156,711	\$1,824,511	\$813,936
1C (4 TO 6 DUS · ACRE)	\$5,152,373	\$2,284,578	\$356,607	\$158,437	\$1,529,845	\$822,905
2 (UNIT 2D 4 TO 6 DUS · ACRE)	\$1,188,102	\$516,676	\$80,650	\$35,832	\$368,838	\$186,107
GRAND TOTAL	\$13,475,495	\$5,714,558	\$892,004	\$396,310	\$4,414,239	\$2,058,384

TABLE 10 LOMAS ENCANTADAS/ENCHANTED HILLS PID LOMAS ENCANTADAS PID PROJECT ALLOCATED PID OFF-SITE IMPROVEMENT COSTS PER DWELLING UNIT						
LAND USE	TOTAL	ROADS	WATER	SANITARY SEWER	STORM DRAINAGE	PARKS
1A (< 2 DUS · ACRE)	\$16,452	\$6,225	\$972	\$432	\$6,581	\$2,242
1B (2 TO 4 DUS · ACRE)	\$14,897	\$6,225	\$972	\$432	\$5,026	\$2,242
1C (4 TO 6 DUS · ACRE)	\$14,039	\$6,225	\$972	\$432	\$4,169	\$2,242
2 (UNIT 2D 4 TO 6 DUS · ACRE)	\$14,314	\$6,225	\$972	\$432	\$4,444	\$2,242

VII. ANTICIPATED TAX LEVIES, SPECIAL LEVIES, OR CHARGES

All of the property located within the PID, unless exempted by law or as provided by the Rate and Method of Apportionment of Special Levy (the "Rate and Method"), shall be subject to a special levy for the purpose of providing public infrastructure benefiting the PID. No ad valorem tax levy, levy for enhanced services, or other charge is anticipated in connection with the PID. The Rate and Method is attached hereto as Exhibit D.

A. SPECIAL LEVY CLASSIFICATIONS

The special levy is apportioned to residential property on the basis of parcel size, measured in terms of the density or average number of lots per acre. Determinations of the density or average number of lots per acre shall be made by the Developer and, absent manifest error, shall be accepted by the District. Four levy classifications are employed for the Lomas Encantadas PID Project and one levy classification is employed for the Enchanted Hills PID Project corresponding to the anticipated residential lot product types. These levy classifications are shown in Table 13 below.

TABLE 13 LOMAS ENCANTADAS/ENCHANTED HILLS PID SPECIAL LEVY CLASSIFICATIONS	
SPECIAL LEVY CLASSIFICATION	DWELLING UNITS
LOMAS ENCANTADAS PID PROJECT	
1A (< 2 DUS / ACRE)	105
1B (2 TO 4 DUS / ACRE)	363
1C (4 TO 6 DUS / ACRE)	367
2 (UNIT 2D 4 TO 6 DUS / ACRE)	83
ENCHANTED HILLS PID PROJECT	
3 (4 TO 6 DUS / ACRE)	119
GRAND TOTAL	1,037

Subject to the prior written consent of the Developer, the Rate and Method may be amended as permitted by the Public Improvement District Act with such amendments including but not limited to, revisions to the special levy classifications and/or special levy amounts necessitated by a change in density. Any such amendment to the Rate and Method will be specified in an amended General Plan.

B. CALCULATION OF THE SPECIAL LEVY

The maximum special levy for each special levy classification is a function of (a) the PID funded costs for each such category and (b) the revenues required to fund the sum of the estimated Operating Requirement and Reimbursement Certificates Requirement, as such terms are defined in the Rate and Method of Apportionment of Special Levy attached as Exhibit D. The costs per lot that are eligible to be funded and anticipated to be funded by the PID are shown for each special levy classification in Table 14 below. Equivalent unit ("EU") factors are calculated in order to measure the relative difference in funded public

TABLE 16 LOMAS ENCANTADAS/ENCHANTED HILLS PID MAXIMUM ANNUAL SPECIAL LEVY PER EU FISCAL YEAR 2015-16			
LOMAS ENCANTADAS PID PROJECT			
REQUIRED REVENUES			\$1,092,405
ESTIMATED ANNUAL REIMBURSEMENT CERTIFICATE PAYMENTS	\$1,000,516		
CONTINGENCY FOR DELINQUENCIES & DISABLED VETERAN EXEMPTION (5%)	\$54,620		
ESTIMATED OPERATING EXPENSES	\$37,269		
EUs			827.5795
MAXIMUM ANNUAL SPECIAL LEVY/EU (REQUIRED REVENUES/EU)			\$1,320
ENCHANTED HILLS PID PROJECT			
REQUIRED REVENUES			\$142,800
ESTIMATED ANNUAL REIMBURSEMENT CERTIFICATE PAYMENTS	\$110,814		
CONTINGENCY FOR DELINQUENCIES & DISABLED VETERAN EXEMPTION (1%)	\$7,140		
ESTIMATED OPERATING EXPENSES	\$24,846		
EUs			119.0000
MAXIMUM ANNUAL SPECIAL LEVY/EU (REQUIRED REVENUES/EU)			\$1,200

TABLE 17 LOMAS ENCANTADAS/ENCHANTED HILLS PID MAXIMUM ANNUAL SPECIAL LEVIES FISCAL YEAR 2015-16			
SPECIAL LEVY CLASSIFICATION	MAXIMUM ANNUAL SPECIAL LEVY/EU	EU FACTOR	MAXIMUM ANNUAL SPECIAL LEVY
LOMAS ENCANTADAS PID PROJECT			
1A (< 2 DUS / ACRE)	\$1,320.00	1.0000	\$1,320.00
1B (2 TO 4 DUS / ACRE)	\$1,320.00	0.9545	\$1,260.00
1C (4 TO 6 DUS / ACRE)	\$1,320.00	0.9091	\$1,200.00
2 (UNIT 2D 4 TO 6 DUS / ACRE)	\$1,320.00	0.5114	\$675.00
ENCHANTED HILLS PID PROJECT			
3 (4 TO 6 DUS / ACRE)	\$1,200.00	1.0000	\$1,200.00

C. SPECIAL LEVY TERM AND ESCALATION

Upon the prior written consent of the Developer, the anticipated maximum special levy amounts set forth above may be subject to modification, including further increases, which may be imposed by the PID's governing body pursuant to the Act and the Rate and Method of Apportionment of Special Levy. However, upon making the filing and recording with the County Clerk, as required by NMSA 1978, § 5-11-18 (2013), which includes this General Plan and the Rate and Method of Apportionment of Special Levy attached as Exhibit D hereto, the PID agrees that it shall not, without prior voter approval, increase the maximum annual special levy applicable to any residential dwelling unit (as identified in above) owned by a private purchaser pursuant to the methods described in NMSA 1978, § 5-11-20.F(1) (2013) and NMSA 1978, § 5-11-23(B) (2013). Notwithstanding this limitation, pursuant to the Act, the amount of special levy imposed in any given year may be increased annually, so long as no special levy imposed is in excess of the maximum special levy amounts stated above, by no more than two percent (2.00%), except that the amount of special levy actually imposed may increase by up to

VIII. PROPOSED FINANCING METHODS

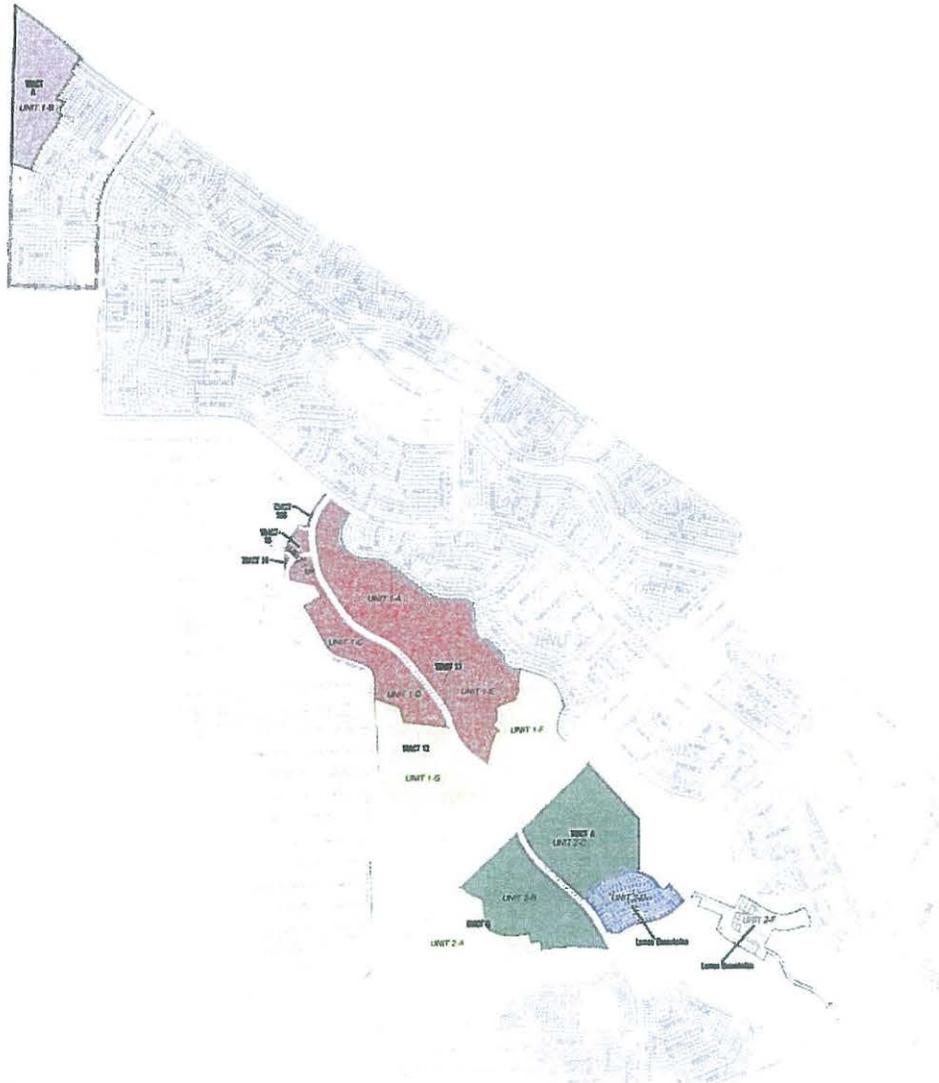
The public improvements are anticipated to be financed pursuant to the Development and Reimbursement Agreement. The Developer intends to self-finance the construction of the public improvements initially. The Developer's construction cost will then be reimbursed by Reimbursement Certificates issued pursuant to the Development and Reimbursement Agreement which Reimbursement Certificates will be repaid by the special levy proceeds. PID improvements and/or PID formation costs may also be funded directly from special levy proceeds. In addition to the anticipated public improvement costs set forth in Section IV above, the Developer may also fund those PID formation and operating costs and expenses which are eligible for reimbursement from the District through the same financing mechanism. As applied to any Developed Platted Property within the PID, other than with respect to Operating Expenses of the District, the term of repayment shall not exceed 30 years after the date of imposition of the first special levy on such Developed Platted Property.

Payments due on any Reimbursement Certificates or any other obligations of the PID will be paid from the collection of a special levy from Developed Platted Property in the PID. The actual maximum aggregate principal amount of the Reimbursement Certificates is estimated in the Feasibility Study, but may vary based upon actual construction costs. The interest rate on any Reimbursement Certificate or other obligation of the PID pursuant to the Development and Reimbursement Agreement is anticipated to be the Wall Street Journal Prime interest rate at the time such Reimbursement Certificate is issued and/or other obligation is incurred, plus one percent (1.00%).

EXHIBIT A

**LOMAS ENCANTADAS/ENCHANTED HILLS
PUBLIC IMPROVEMENT DISTRICT**

BOUNDARY MAP



LEGEND

- LEVY CLASSIFICATION 1A
- LEVY CLASSIFICATION 1B
- LEVY CLASSIFICATION 1C
- LEVY CLASSIFICATION 2
- LEVY CLASSIFICATION 3



**LOMAS ENCANTADAS/ENCHANTED HILLS
LEVY CLASSIFICATION BOUNDARY MAP**

Designed For:



Designed By:

HUITT-ZOLIARS
 Huitt-Zollars, Inc. Rio Rancho
 333 Rio Rancho Drive NE, Suite 101
 Rio Rancho, New Mexico 87124
 Phone (505) 892-5141 Fax (505) 892-3250

Date: 11/20/2015 4:22 PM File: LOMAS_ENCANTADAS/ENCHANTED_HILLS/LEVY_CLASSIFICATION_BOUNDARY.MXD
 User: SHANEY\SHANEY

EXHIBIT B

**LOMAS ENCANTADAS/ENCHANTED HILLS
PUBLIC IMPROVEMENT DISTRICT**

LEGAL DESCRIPTION

Tract lettered "A" of Enchanted Hills Unit 11A, as shown and designated on the plat entitled "Enchanted Hills Unit 11A, a Subdivision of Unplatted Property within Unit Twenty, within Sections 15 and 22, Township 13 North, Range 3 East, New Mexico Principal Meridian, City of Rio Rancho, Sandoval County, New Mexico", filed in the office of the County Clerk of Sandoval County, New Mexico, on January 30, 2004, in Vol. 3, Folio 2384B.

Designed For



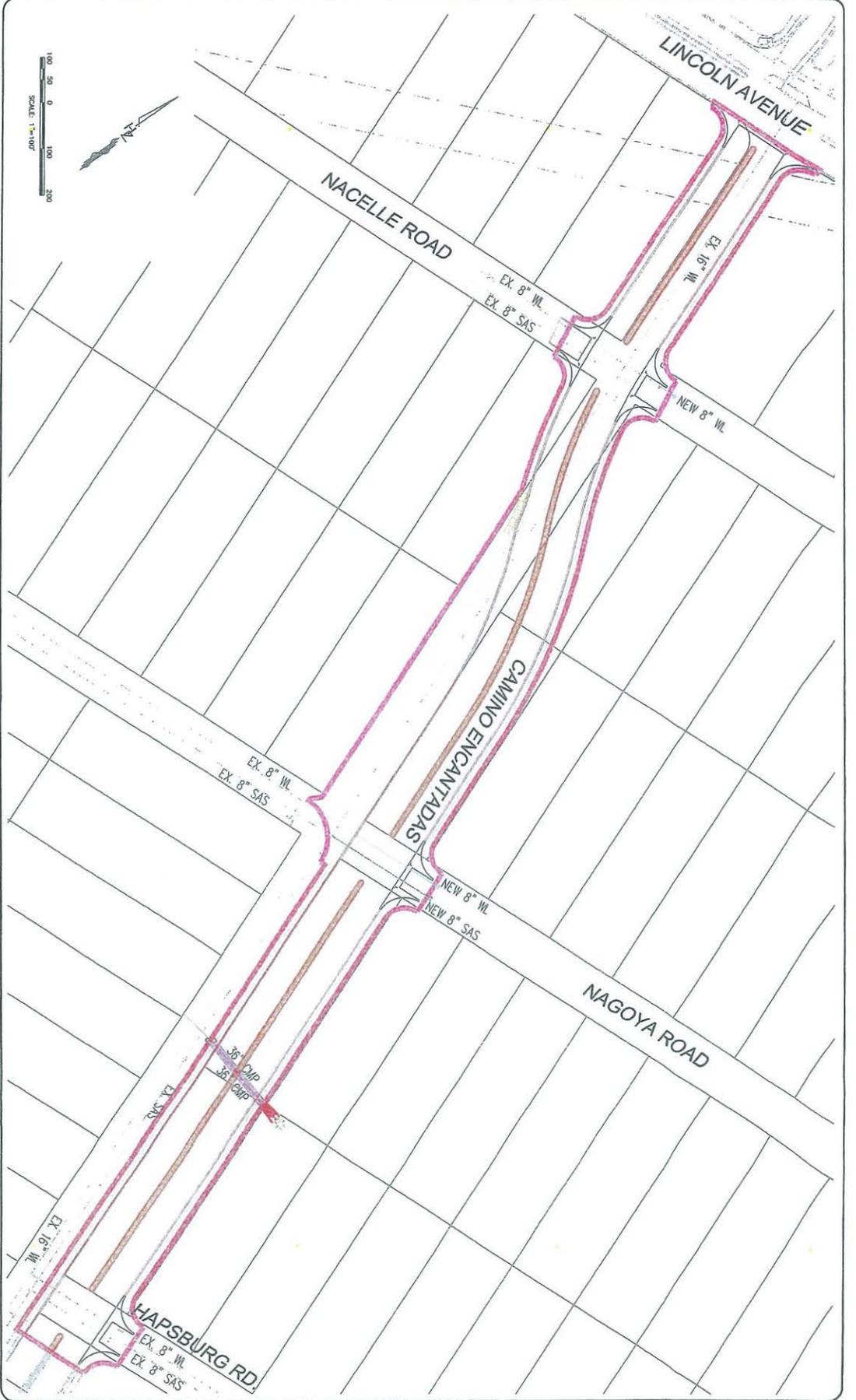
MMRSP
SOUTHWEST Inc.

LOMAS ENCANTADAS
OFFSITE CONSTRUCTION PHASE 2A
NOVEMBER 2014

Designed By



HILLIER-YEARS
4411 Zeller, Inc. 1414-0214
350 Avenida de las Americas, Suite 200
San Francisco, CA 94134
Phone: (415) 774-5111 Fax: (415) 774-5112



Designed For:



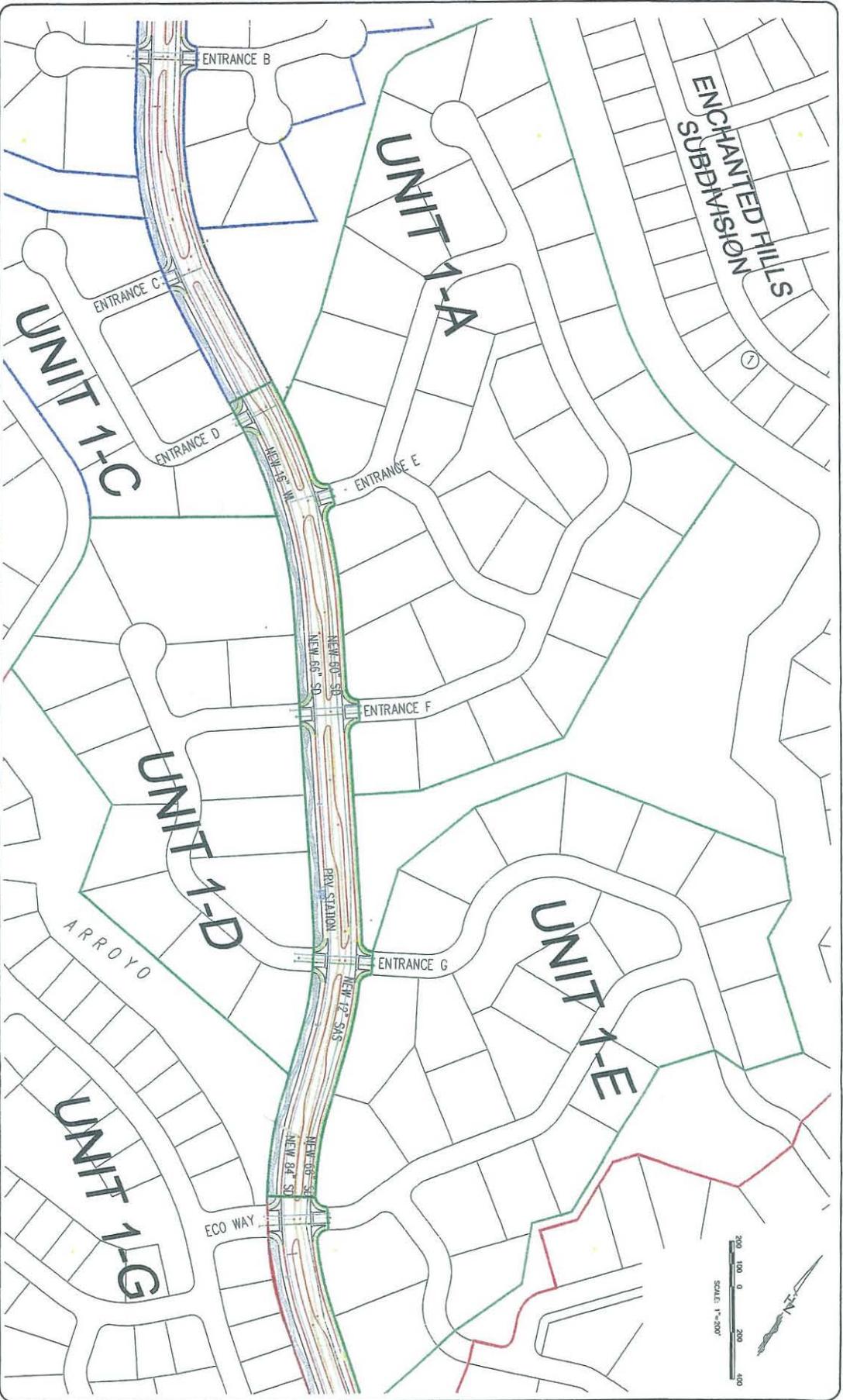
MWB SWP
SOUTHWEST
Innovative

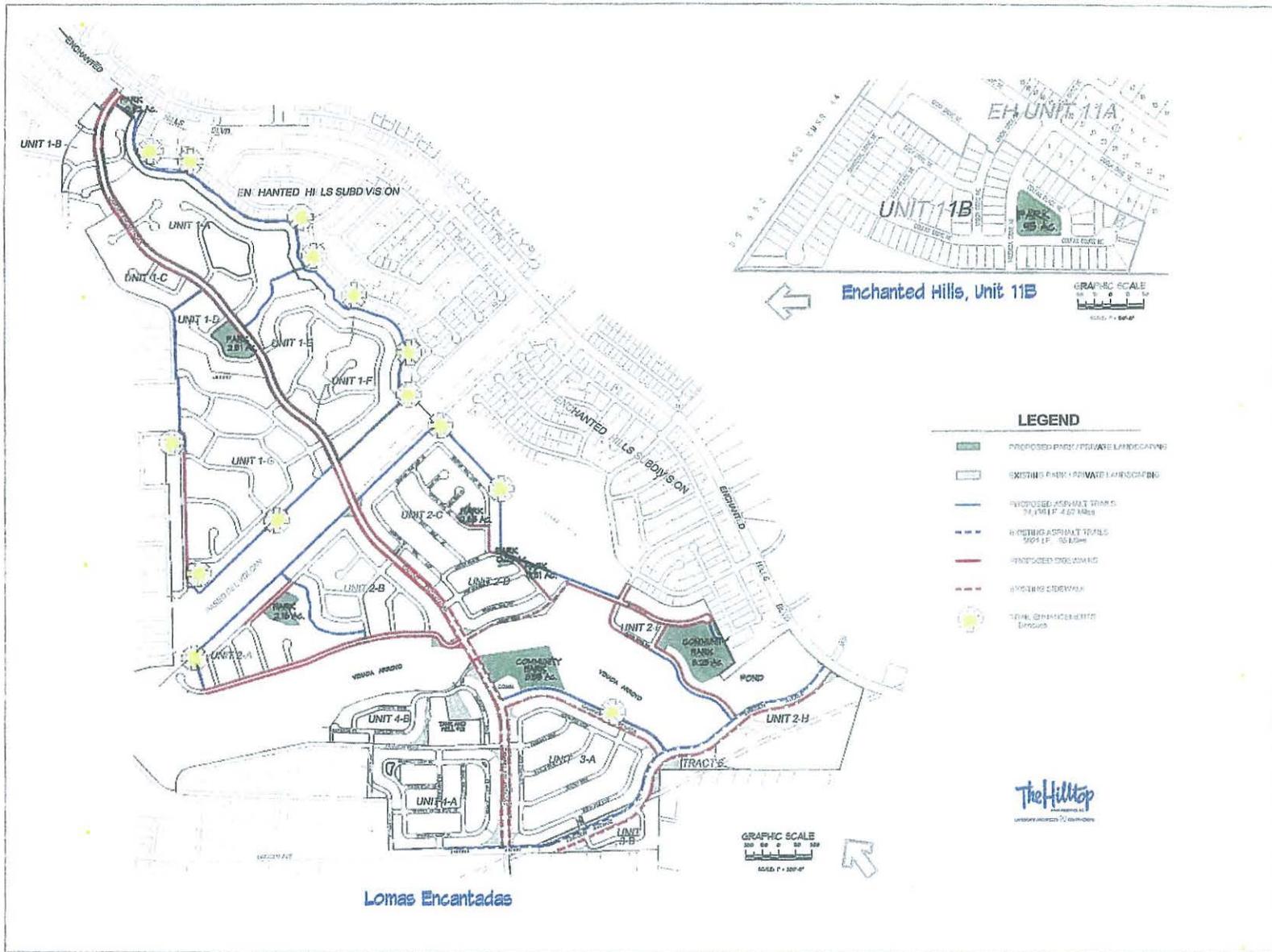
LOMAS ENCANTADAS
OFF-SITE CONSTRUCTION PHASE 4B
NOVEMBER 2014

Designed By:



HNTB
HNTB
300 Rio Rancho Drive NE, Suite 300
Rio Rancho, New Mexico 87149
Phone: (505) 622-0141 Fax: (505) 622-0259

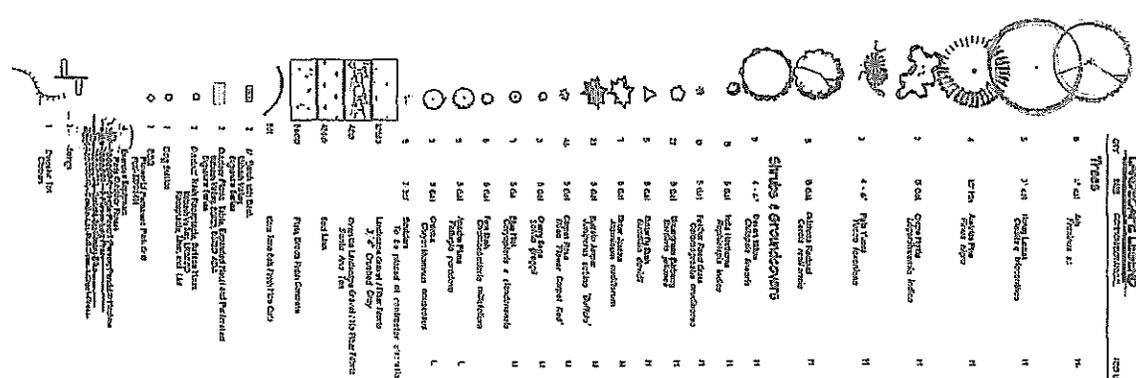
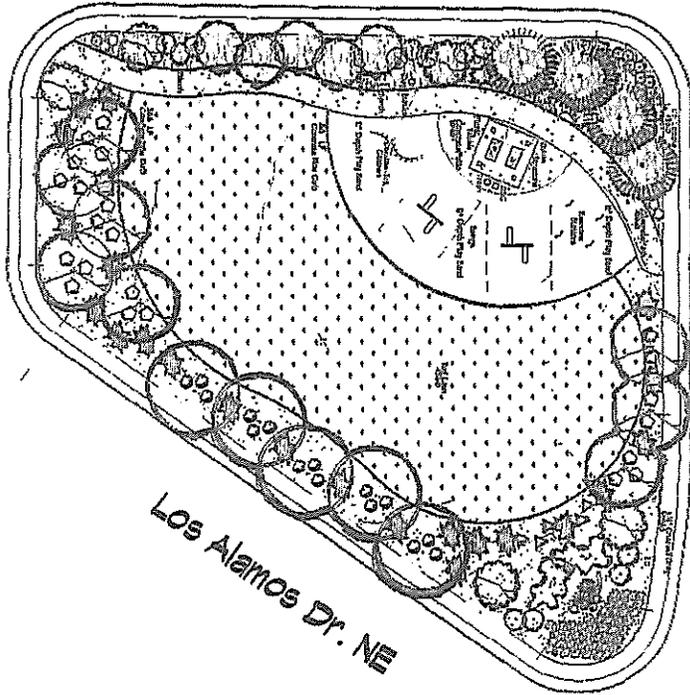




Colfax Pl. NE

Valencia Dr. NE

Los Alamos Dr. NE



LANDSCAPE LEGEND
 12/15/12
 12/15/12

	<p>The Hilltop 7000 Redwood Albuquerque, NM 87109 Core Lic. 10-0-013 P.O. Box 123456 Tel: (505) 555-1234 www.hilltoplandscape.com</p>		<p>Lomas Encantadas, Unit '18 Neighborhood Park Rio Rancho, NM</p> <p>LANDSCAPE PLAN</p>	<p>The design was created for the benefit of the property of the client and is the property of The Hilltop Landscape Architecture. No part of this design may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written permission of The Hilltop Landscape Architecture.</p>	<p>The Hilltop LANDSCAPE ARCHITECTURE & DESIGN SERVICES</p>	<p>DATE: 12/15/12 REVISION: DRAWN BY: CHECKED BY:</p>
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EXHIBIT D

**LOMAS ENCANTADAS/ENCHANTED HILLS
PUBLIC IMPROVEMENT DISTRICT**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY

"District Board" means the governing body of the District.

"Dwelling Unit" or "DU" means a residential dwelling unit.

"Enchanted Hills PID Project" means the area described in Exhibit A.

"Exempt Property" means all property exempt from the Annual Special Levy pursuant to Section G.

"Final Plat" means a final plat or final subdivision of land that is approved by the City and recorded with the County.

"Fiscal Year" means the twelve-month period starting July 1 and ending June 30.

"Lomas Encantadas PID Project" means the area described in Exhibit B.

"Maximum Annual Special Levy" means the maximum special levy, determined in accordance with Section B and Section C that can be levied by the District Board in any Fiscal Year on any Parcel which is not classified as Exempt Property.

"Operating Expenses" means all obligations and expenses of the District permitted in accordance with the Act other than the costs of formation of the PID and amounts payable pursuant to the Reimbursement Certificates. Operating Expenses include, but are not limited to, the costs of computing the Annual Special Levies and of preparing the collection schedules (whether by the District Board or designee thereof or both); the costs of collecting the Annual Special Levies (whether by the County, or otherwise); the costs of remitting the Annual Special Levies to (i) any holder of Reimbursement Certificates and/or (ii) any fiscal agent employed by the PID; the costs of any such fiscal agent (including its legal counsel) in the discharge of the duties required of it; the costs of the District or designee in complying with the disclosure requirements of applicable federal and state securities laws and of the Act, including, but not limited to, public inquiries regarding the Annual Special Levies and the costs associated with the release of funds from any escrow account. Operating Expenses shall also include amounts advanced for any administrative or operating purpose of the District including the costs of prepayment of the Annual Special Levies; recordings related to the prepayment, discharge or satisfaction of the Annual Special Levies; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Annual Special Levies and the reasonable fees of legal counsel to the District incurred in connection with the foregoing.

"Operating Requirement" means that amount determined by the District Board or its designee as required in any Fiscal Year to pay and/or reimburse: (1) the anticipated Operating Expenses; (2) the anticipated delinquent Annual Special Levies; and (3) the anticipated shortfall in Annual Special Levies resulting from the Disabled Veteran Exemption, all as determined by the District Board or the Administrator.

"Parcel" means a lot or parcel within the boundaries of the District that is assigned a uniform property code as shown on a UPC Map.

C. MAXIMUM ANNUAL SPECIAL LEVY

Subject to the Development and Reimbursement Agreement, the District Board shall levy the Maximum Annual Special Levy for a Parcel of Developed Platted Property as determined pursuant to Section C.1 below, adjusted pursuant to Section C.2, if applicable. While the Maximum Special Levy may be prepaid for all Parcels of Platted Property, no Annual Special Levy shall be collected from Platted Property which is not classified as Developed Platted Property or Undeveloped Property.

1. Maximum Annual Special Levy

The Maximum Annual Special Levy applicable to each classification of Developed Platted Property shall be determined by reference to Table 1 which indicates both "Initial" and "Final" Maximum Annual Special Levy amounts. The Initial Maximum Annual Special Levy is applicable to Fiscal Year 2015-2016. Commencing with Fiscal Year 2016-17, the Maximum Annual Special Levy shall be increased by an amount equal to one percent (1.00%) of the preceding Fiscal Year's Maximum Annual Special Levy, not to exceed the Final Maximum Annual Special Levy.

TABLE 1		
LOMAS ENCANTADAS/ENCHANTED HILLS PID		
MAXIMUM ANNUAL SPECIAL LEVY		
LEVY CLASSIFICATION	MAXIMUM ANNUAL SPECIAL LEVY	
	INITIAL MAXIMUM	FINAL MAXIMUM
LOMAS ENCANTADAS PID PROJECT		
(1A) < 2 DUS / ACRE	\$1,320 / Residential Lot	\$1,779 / Residential Lot
(1B) 2 TO 4 DUS / ACRE	\$1,260 / Residential Lot	\$1,698 / Residential Lot
(1C) 4 TO 6 DUS / ACRE	\$1,200 / Residential Lot	\$1,617 / Residential Lot
(2) UNIT 2D 4 TO 6 DUS / ACRE	\$675 / Residential Lot	\$910 / Residential Lot
ENCHANTED HILLS PID PROJECT		
(3) 4 TO 6 DUS / ACRE	\$1,200 / Residential Lot	\$1,617 / Residential Lot

2. Exhibit C Amendments

Exhibit C may be amended pursuant to an executed certificate, the form of which is attached as Exhibit D. Any amendment to Exhibit C approved by the District Board and the Developer shall be recorded with the County Clerk.

G. EXEMPTIONS

Property exempt from the Annual Special Levy consists of (i) Association Property and (ii) Public Property. The Annual Special Levy shall be imposed on all property identified by the County as being subject to the Disabled Veteran Exemption but, assuming the Disabled Veteran Exemption has been lawfully enacted by the New Mexico Legislature and the applicable disabled veteran property owner or the surviving spouse of the disabled veteran property owner is actually entitled to receive such exemption, the District shall not seek to collect the Annual Special Levy in such Fiscal Year.

H. PREPAYMENT

The Maximum Annual Special Levy for the current and all remaining Fiscal Years through the final term of the Special Levy for any Parcel of Platted Property may be prepaid in full or in part and the obligation of the Parcel to pay that portion of the Maximum Annual Special Levy that has been prepaid will be permanently satisfied as described herein, provided that a prepayment may be made only if there are no outstanding delinquent Annual Special Levies with respect to such Parcel and all other Parcels under the same ownership at the time of prepayment. An owner of a Parcel intending to prepay the Maximum Annual Special Levy shall provide the District Board with written notice of intent to prepay and the amount of the Maximum Annual Special Levy to be prepaid. Within 30 days of receipt of such written notice, the District Board or its designee shall notify such owner of the prepayment amount for such Parcel and the date through which such prepayment shall be valid.

1. Full Prepayment

A "Full Prepayment" means an amount equal to (a) the sum of (1) Prepaid Special Levy, (2) Prepaid Operating Expenses, and (3) Fees, where the terms "Prepaid Special Levy," "Prepaid Operating Expenses," and "Fees" have the following meanings:

"Prepaid Special Levy" equals the present value of the current and remaining Maximum Annual Special Levy upon the Parcel for which the prepayment is to be made excluding that portion of such Maximum Annual Special Levy required to pay current and estimated future Operating Expenses, as determined by the District Board or its designee. A Parcel of Platted Property which is not classified as Developed Platted Property shall be treated as Developed Platted Property for purposes of calculating the Full Prepayment and the Maximum Annual Special Levy for such Parcel for purposes of calculating the Full Prepayment shall be determined pursuant to Table 1. The present value shall be computed using as the discount rate the current yield on the Reimbursement Certificates; if the Maximum Annual Special Levy for the Parcel is pledged toward the repayment of multiple Reimbursement Certificates, then the average yield for such Reimbursement Certificates shall be employed. The yield on such Reimbursement Certificates shall be the

Property in order to specify the amended Maximum Annual Special Levy for any Platted Property and Undeveloped Property that is the subject of the amended General Plan.

No amendment shall be approved by the District Board if it violates any other agreement binding upon the District and unless and until it has (i) found and determined that the amendment is necessary and appropriate and does not materially adversely affect the rights of the owners of any Reimbursement Certificates or the District Board has obtained the consent of one hundred percent (100.00%) of the owners of the Reimbursement Certificates and (ii) received an opinion from counsel to the effect that the amendment does not violate the Act, and is authorized pursuant to the terms of this Rate and Method of Apportionment of Special Levy and any other agreement binding upon the District.

Tract lettered "A" of Enchanted Hills Unit 11A, as shown and designated on the plat entitled "Enchanted Hills Unit 11A, a Subdivision of Unplatted Property within Unit Twenty, within Sections 15 and 22, Township 13 North, Range 3 East, New Mexico Principal Meridian, City of Rio Rancho, Sandoval County, New Mexico", filed in the office of the County Clerk of Sandoval County, New Mexico, on January 30, 2004, in Vol. 3, Folio 2384B.

Tracts Nine (9), Twelve (12), Thirteen (13), Fourteen (14) and Fifteen (15), LOMAS ENCANTADAS, as said tracts are shown and described on the plat entitled "LOMAS ENCANTADAS, TRACTS ONE (1) THRU TWENTY-ONE (21), A THRU D AND PARCELS A THRU J, A VACATION AND REPLAT OF PORTIONS OF UNIT TWENTY", and filed in the office of the County Clerk of Sandoval County, New Mexico on November 10, 2005, in Book No. 408, page 46844, as Document No. 200546844;

AND

Lots numbered One (1) thru Thirteen (13), in Block numbered One (1); Lots numbered One (1) thru Thirteen (13), in Block numbered Two (2); Lots numbered One (1) thru Eighteen (18), in Block numbered Three (3); and Parcel "A", LOMAS ENCANTADAS, UNIT 2-F, as shown and designated on the plat entitled, "LOMAS ENCANTADAS, UNIT 2-F, A SUBDIVISION AND REPLAT OF TRACTS AD AND 11A IN LOMAS ENCANTADAS WITHIN UNIT TWENTY, WITHIN SECTIONS 25 AND 26, T.13N., R.3E., N.M.P.M., SANDOVAL COUNTY, NEW MEXICO", filed in the office of the County Clerk of Sandoval County, New Mexico on April 16, 2008 in Plat Book 3, Folio 2912A;

AND

Tracts Sixteen-B (16B), LOMAS ENCANTADAS, as shown and designated on the plat entitled, "SUMMARY PLAT TRACT 16A AND 16B, A REPLAT OF TRACT 16 WITHIN LOMAS ENCANTADAS IN UNIT TWENTY, WITHIN SECTION 22, TOWNSHIP 13 NORTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, CITY OF RIO RANCHO, SANDOVAL COUNTY, NEW MEXICO", filed in the office of the County Clerk of Sandoval County, New Mexico on February 7, 2011 in Plat Book 3, Folio 3296;

AND

Tract A and Lots One (1) through Four (4) in Block One (1) and Lots One (1) through Twenty-four (24) of Block Two (2) and Lots One (1) through Twenty-one (21) of Block Three (3) and Lots One (1) through Twenty-eight (28) of Block Four (4) and Lots One (1) through Six (6) of Block Five (5) of LOMAS ENCANTADAS UNIT 2-D as the same are shown and designated on the plat thereof entitled "LOMAS ENCANTADAS Unit 2-D, A SUBDIVISION OF TRACT 10 UNIT 20 WITHIN SECTION 26, T.13N., R.3E., N.M.P.M. CITY OF RIO RANCHO, SANDOVAL COUNTY, NEW MEXICO", and filed in the office of the County Clerk of Sandoval County, New Mexico on May 9, 2008, in Volume 3, Folio 2920-A (Rio Rancho Estates Plat Book 21, Page 68).

EXHIBIT D

**CERTIFICATE TO AMEND EXHIBIT C
OF THE
RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY**

LOMAS ENCANTADAS/ENCHANTED HILLS PID

RATE AND METHOD OF APPORTIONMENT OF SPECIAL LEVY

LOMAS ENCANTADAS/ENCHANTED HILLS PUBLIC IMPROVEMENT DISTRICT

An Annual Special Levy shall be levied, extended, and collected in the Lomas Encantadas/Enchanted Hills Public Improvement District (hereinafter referred to as the "PID" or the "District") each Fiscal Year, in an amount determined by the District Board or its designee in accordance with the procedures described below. All of the real property in the PID, unless exempted by the provisions hereof, shall be subject to the Annual Special Levy for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms used herein shall have the following meanings:

"**Act**" means the Public Improvement District Act, being Sections 5-11-1 through 5-11-27, NMSA 1978.

"**Administrator**" means the designee of the District Board responsible for determining the Operating ~~Levy~~ Requirement and Reimbursement Certificates Requirement, and coordinating the billing and collection of the Annual Special Levies.

"**Annual Special Levy**" means the special levy collected in each Fiscal Year from each Parcel pursuant to Section D to fund the Operating ~~Levy~~ Requirement and the Reimbursement Certificates Requirement~~Maximum Annual Special Levy.~~

"**Association Property**" means any property in the District owned by or dedicated to a property owner association, including any master or sub-association, exclusive of any property on which Dwelling Units are or may be constructed.

"**City**" means the City of Rio Rancho, New Mexico.

"**County**" means the County of Sandoval, New Mexico.

"**Developed Platted Property**" means all Platted Property for which (i) the Final Plat was recorded by the January 1 preceding the Fiscal Year for which the Annual Special Levy is being collected and (ii) a certificate of occupancy permit has been issued by the April 30 preceding the Fiscal Year for which the Annual Special Levy is being collected.

"**Developer**" means AMREP Southwest Inc. and/or its successors and assigns.

"**Development and Reimbursement Agreement**" means the Lomas Encantadas/Enchanted Hills Public Improvement District Development and Reimbursement Agreement by and between the City, PID, and the Developer, as may be amended from time to time.

"**Disabled Veteran Exemption**" means the exemption set forth in NMSA 1978, Section 7-37-5.1 (2015).

"**District Board**" means the governing body of the District.

"**Dwelling Unit**" or "**DU**" means a residential dwelling unit.

"**Enchanted Hills PID Project**" means the area described in Exhibit A.

"**Exempt Property**" means all property exempt from the Annual Special Levy pursuant to Section G.

"**Final Plat**" means a final plat or final subdivision of land that is approved by the City and recorded with the County.

"**Fiscal Year**" means the twelve-month period starting July 1 and ending June 30.

~~"**Levyable Property**" means all Developed Platted Property within the District which is not Exempt Property or which has not prepaid the Maximum Annual Special Levy in full pursuant to Section H.~~

"**Lomas Encantadas PID Project**" means the area described in Exhibit B.

"**Maximum Annual Special Levy**" means the maximum special levy, determined in accordance with Section B and Section C that can be levied by the District Board in any Fiscal Year on any Parcel ~~which is not classified as Exempt of Levyable~~ Property.

"**Operating Expenses**" means all obligations and expenses of the District permitted in accordance with the Act other than ~~the costs of formation of the PID and amounts payable pursuant to the Reimbursement Certificate costs of the PID Funded Infrastructure Improvements dedicated to the City.~~ "Operating Expenses" include, but are not limited to, the costs of computing the Annual Special Levies and of preparing the collection schedules (whether by the District Board or designee thereof or both); the costs of collecting the Annual Special Levies (whether by the County, or otherwise); the costs of remitting the Annual Special Levies to (i) any holder of ~~Reimbursement Certificate~~ issued pursuant to the Development and Reimbursement Agreement and/or (ii) any ~~fiscal agent employed by the PID trustee for any Indebtedness~~; the costs of any ~~such fiscal agent trustee~~ (including its legal counsel) in the discharge of the duties required of it; ~~the costs of the District or designee in computing the amount of rebatable arbitrage, if any;~~ the costs of the District or designee in complying with the disclosure requirements of applicable federal and state securities laws and of the Act, including, but not limited to, public inquiries regarding the Annual Special Levies; and the costs associated with the release of funds from any escrow account. Operating Expenses shall also include amounts advanced for any administrative or operating purpose of the District including the costs of prepayment of the Annual Special Levies; recordings related to the prepayment, discharge or satisfaction of the Annual Special Levies; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Annual Special Levies and the reasonable fees of legal counsel to the District incurred in connection with the foregoing.

"**Operating Levy Requirement**" means that amount determined by the District Board or its designee as required in any Fiscal Year to pay and/or reimburse: (1) the anticipated Operating Expenses; (2) the anticipated delinquent Annual Special Levies; and (3) the anticipated shortfall in Annual Special Levies resulting from the Disabled Veteran Exemption, all as determined by the District Board or the Administrator.

"**Parcel**" means a lot or parcel within the boundaries of the District that is assigned a uniform property code as shown on a UPC Map.

"**Platted Property**" means all Residential Lots for which a Final Plat was recorded by the January 1 preceding the Fiscal Year for which the Annual Special Levy is being collected.

"**Public Property**" means all property in the District owned by or dedicated to the federal government, the State of New Mexico, the County of Sandoval, the City of Rio Rancho, or any local government or other public agency.

"**Reimbursement Certificates**~~Indebtedness~~" means any reimbursement certificates issued pursuant to or other obligations contained in the Development and Reimbursement Agreement, ~~special levy bonds, and/or other obligations of the District authorized pursuant to Sections 10 and 20 of the Act and secured by the Annual Special Levy.~~

"**Reimbursement Certificates Requirement**" means that amount determined by the District Board or its designee as required in any Fiscal Year to pay and/or reimburse amounts advanced to pay: (1) any amounts required pursuant to the Reimbursement Certificates; and (2) costs incurred in connection with the formation of the PID.

"**Residential Lot**" means a Parcel for which a building permit (i) may and is anticipated to be issued without any further subdivision of the Parcel; or (ii) has been issued for a Dwelling Unit.

"**Total Maximum Annual Special Levies**" means for any Fiscal Year the sum of the Maximum Annual Special Levy for such Fiscal Year for each Parcel within the PID and is subject to change only as a result of prepayments, revisions to Exhibit C, revisions to the number and/or mix of Residential Lots/Dwelling Units, and/or revisions pursuant to Section C.2 herein.

"**Undeveloped Property**" means all real property within the PID boundaries that is not classified as Developed Platted Property or Exempt Property.

"**UPC Map**" means an official map of the County designating parcels by uniform property code.

B. CLASSIFICATION OF PROPERTY

On or about May 1 of each Fiscal Year, all property within the District shall be classified as Developed Platted Property, Undeveloped ~~Levyable~~ Property or Exempt Property. All ~~Levyable~~ Developed Platted Property shall be assigned to one of the levy classifications

set forth in Table 1 below in accordance with Exhibit C.

C. **MAXIMUM ANNUAL SPECIAL LEVY**

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~~Subject to the Development and Reimbursement Agreement. Except with the prior written consent of the Developer,~~ the District Board shall levy the Maximum Annual Special Levy for a Parcel of ~~Developed Platted Levyable~~ Property as determined pursuant to Section C.1 below, adjusted pursuant to Section C.2, if applicable. While the Maximum Special Levy may be prepaid for all Parcels of Platted Property, no Annual Special Levy shall be collected from Platted Property which is not classified as Developed Platted Property or Undeveloped Property.

1. **Maximum Annual Special Levy**

~~Subject to Section C.2 below,~~ The Maximum Annual Special Levy applicable to each classification of ~~Developed Platted Levyable~~ Property shall be determined by reference to Table 1 which indicates both "Initial" and "Final" Maximum Annual Special Levy amounts. The Initial Maximum Annual Special Levy is applicable to Fiscal Year 2015-2016. Commencing with Fiscal Year 2016-17, the Maximum Annual Special Levy shall be increased by an amount equal to one percent (1.00%) of the preceding Fiscal Year's Maximum Annual Special Levy, not to exceed the Final Maximum Annual Special Levy.

TABLE 1 LOMAS ENCANTADAS/ENCHANTED HILLS PID MAXIMUM ANNUAL SPECIAL LEVY		
LEVY CLASSIFICATION	MAXIMUM ANNUAL SPECIAL LEVY	
	INITIAL MAXIMUM	FINAL MAXIMUM
LOMAS ENCANTADAS PID PROJECT		
(1A) < 2 DUS / ACRE	\$1,320 / Residential Lot	\$1,779 / Residential Lot
(1B) 2 TO 4 DUS / ACRE	\$1,260 / Residential Lot	\$1,698 / Residential Lot
(1C) 4 TO 6 DUS / ACRE	\$1,200 / Residential Lot	\$1,617 / Residential Lot
(2) UNIT 2D 4 TO 6 DUS / ACRE	\$675 / Residential Lot	\$910 / Residential Lot
ENCHANTED HILLS PID PROJECT		
(3) 4 TO 6 DUS / ACRE	\$1,200 / Residential Lot	\$1,617 / Residential Lot

2. ~~Revision to Maximum Annual Special Levy or Prepayment Required Due to Reduction in Total Maximum Annual Special Levies~~

~~If at any time after Indebtedness has been issued and/or incurred the Administrator determines that there has been or will be a reduction in the Total Maximum Annual Special Levies as a result of an amendment to Exhibit C, a revision in the number and/or mix of Residential Lots, or other event which reduces the Total Maximum Annual Special Levies, then:~~

~~— (a) if the Indebtedness issued and/or incurred by the District does not have annual debt service coverage ratio requirement, then such reduction in the Total Maximum Annual Special Levies shall not be rectified pursuant to C.2.a and C.2.b below; or~~

~~— (b) if the Indebtedness issued and/or incurred by the District has annual debt service coverage ratio requirement and such reduction in the Total Maximum Annual Special Levies results in the annual debt service coverage ratio on any issued and outstanding Indebtedness that will be less than that specified in the applicable debt instrument, then at the discretion of the District Board either (i) the Maximum Annual Special Levy for the Parcel(s) located in the Final Plat(s) in which such a reduction has or will occur shall be revised pursuant to C.2.a below to compensate for the reduction or (ii) a prepayment shall be made pursuant to C.2.b below. Each year's annual debt service coverage ratio, if applicable, shall be determined in accordance with the applicable debt instrument.~~

~~(A) **Adjusted Maximum Annual Special Levy.** If the District Board determines that the Maximum Annual Special Levy shall be increased to compensate for the reduction, the then applicable Maximum Annual Special Levy for the subject Parcels shall be increased by multiplying such Maximum Annual Special Levy by a quotient the numerator of which is equal to the sum of (i) the then applicable Maximum Annual Special Levies for the subject Parcels and (ii) the amount by which the Maximum Annual Special Levies for the District is less than the sum of the estimated annual Operating Expenses and the required debt service coverage ratio multiplied by the annual payments on the Indebtedness and the denominator of which is equal to the then applicable Maximum Special Levies for the subject Parcels, taking into consideration the changes resulting in the reduction. The District Board shall take such steps as appropriate to record notice of any such change.~~

~~(B) **Prepayment of Reduction.** If the District Board determines that the reduction in the Maximum Annual Special Levies shall be prepaid, such prepayment amount shall be computed pursuant to Section H, with the following modifications: The difference between the Maximum Annual Special Levies required to satisfy the debt service coverage requirements set~~

~~forth in the applicable debt instrument and the amount to which the Maximum Annual Special Levies have been reduced shall be substituted for the term Maximum Annual Special Levy when computing the Prepaid Special Levy.~~

3-2. Exhibit C Amendments

Exhibit C may be amended pursuant to an executed certificate, the form of which is attached as Exhibit D. Any amendment to Exhibit C approved by the District Board and the Developer shall be recorded with the County Clerk.

D. **APPORTIONMENT OF ANNUAL SPECIAL LEVY**

Commencing with Fiscal Year 2016-2017 and for each following Fiscal Year, the District Board shall apportion the Annual Special Levy to each Parcel of Developed Platted Levyable Property in accordance with the procedure set forth below, provided the Annual Special Levy for any parcel of Developed Platted Property does not exceed its Maximum Annual Special Levy. There will be no Annual Special Levy collected from Platted Property which is not classified as Developed Platted Property or Undeveloped Property

1. **Operating ~~Levy~~ Requirement**

The Annual Special Levy shall be collected from each Parcel of Developed Platted Property in equal percentages, not to exceed the applicable Maximum Annual Special Levy, to fund the Operating ~~Levy~~ Requirement.

2. Reimbursement Certificates Requirement~~Remainder of Annual Special Levy~~

~~In addition to the Operating Levy Requirement, t~~The Annual Special Levy shall be increased proportionately above the amounts calculated under Section D.1 ~~above on such that~~ each Parcel of Developed Platted Property up to pays 100% of applicable Maximum Annual Special Levy to fund the Reimbursement Certificates Requirement; provided that, the Annual Special Levy in excess of the Operating Levy Requirement shall not be imposed on any Developed Platted Property for purposes of the Reimbursement Certificates Requirement for more than 30 years after the date of imposition of the first Annual Special Levy on such Developed Platted Property.

E. **MANNER OF COLLECTION**

The Annual Special Levy shall constitute a lien on the property subject thereto which shall have priority co-equal to the lien of general ad valorem property taxes. The Annual Special Levy will be billed by the County in the same manner and at the same time as general ad valorem property taxes and will appear as a separate item on the property tax bill for real property within the District as that property is identified on the tax roll on January 1 of each year in which the Annual Special Levy is in effect. As provided in the Act, the District has established foreclosure remedies which shall apply following

nonpayment of the Annual Special Levy, which are referred to in the Notice of Imposition of Special Levy. Under those procedures, the Annual Special Levy is subject to foreclosure by the District beginning six months after written notice of delinquency is provided to the owner of the real property to which the delinquency applies. The lien of the Annual Special Levy includes delinquencies, penalties and interest thereon at a rate not to exceed the maximum legal rate of interest per year and penalties otherwise applicable.

F. TERM

~~Each Parcel of Developed Platted Property shall be subject to the Maximum Annual Special Levy. The special levy will remain in place until the later of (i) the date all Operating Expenses of the District are fully paid or repaid; or (ii) the date on which such all Developed Platted Propertyies within the District has have paid an Annual Special Levy for thirty (30) years; or (iii) the date the Developer confirms in writing to the District that no further PID Eligible Infrastructure Improvements remain unreimbursed and/or are expected to be incurred.~~

G. EXEMPTIONS

Property exempt from the Annual Special Levy consists of (i) Association Property; and (ii) Public Property.

The Annual Special Levy shall be imposed on all property identified by the County as being subject to the Disabled Veteran Exemption but, assuming the Disabled Veteran Exemption has been lawfully enacted by the New Mexico Legislature and the applicable disabled veteran property owner or the surviving spouse of the disabled veteran property owner is actually entitled to receive such exemption, the District shall not seek to collect the Annual Special Levy in such Fiscal Year.

H. PREPAYMENT

The Maximum Annual Special Levy for the current and all remaining Fiscal Years through the final term of the Special Levy for any Parcel of Platted Property may be prepaid in full or in part and the obligation of the Parcel to pay that portion of the Maximum Annual Special Levy that has been prepaid will be permanently satisfied as described herein, provided that a prepayment may be made only if there are no outstanding delinquent Annual Special Levies with respect to such Parcel and all other Parcels under the same ownership at the time of prepayment. An owner of a Parcel intending to prepay the Maximum Annual Special Levy shall provide the District Board with written notice of intent to prepay and the amount of the Maximum Annual Special Levy to be prepaid. Within 30 days of receipt of such written notice, the District Board or its designee shall notify such owner of the prepayment amount for such Parcel and the date through which such prepayment shall be valid.

H.1. Full Prepayment

A "Full Prepayment" means an amount equal to (a) the sum of (1) Prepaid Special

Levy, (2) Prepaid Operating Expenses, and (3) Fees, where the terms "Prepaid Special Levy," "Prepaid Operating Expenses," and "Fees" have the following meanings:

"Prepaid Special Levy" equals the present value of the current and remaining Maximum Annual Special Levy upon the Parcel for which the prepayment is to be made excluding that portion of such Maximum Annual Special Levy required to pay current and estimated future Operating Expenses, as determined by the District Board or its designee. A Parcel of Platted Property which is not classified as Developed Platted Property shall be treated as Developed Platted Property for purposes of calculating the Full Prepayment and the Maximum Annual Special Levy for such Parcel for purposes of calculating the Full Prepayment shall be determined pursuant to Table I. The present value shall be computed using as the discount rate the current yield on the Reimbursement Certificates outstanding Indebtedness; if the Maximum Annual Special Levy for the Parcel is pledged toward the repayment of multiple Reimbursement Certificates more than one series or tranches of bonds, notes, and/or other obligations, then the aggregate average yield for such Reimbursement Certificates Indebtedness shall be employed. The yield on such Reimbursement Certificates Indebtedness shall be the discount rate which, when used to determine the present value of the remaining payments on said Reimbursement Certificates Indebtedness, results in an amount equal to the outstanding principal amount of such Reimbursement Certificates Indebtedness.

"Prepaid Operating Expenses" equals the portion of the applicable Parcel's Prepaid Special Levy current and future Maximum Annual Special Levies estimated to be needed to pay for current and future Operating Expenses, as determined by the District Board or its designee.

"Fees" equal the expenses of the District associated with the Prepayment as calculated by the District Board or its designee and include, but are not limited to, the costs of computing the Full Prepayment, the costs of amending any Annual Special Levy previously enrolled with the County, the costs of redeeming and/or retiring the Indebtedness, and the costs of recording and publishing any notices to evidence the prepayment of the Maximum Annual Special Levy and the redemption and/or retirement of Indebtedness.

The sum of the amounts calculated in the preceding steps shall be paid to the District and shall be used to (a) pay amounts pursuant to the Reimbursement Certificates interest and principal on Indebtedness to the date of redemption and/or retirement, (b) redeem and/or retire Indebtedness in accordance with the applicable debt instrument, (c) pay or reimburse the cost of public improvements, (d) pay Fees associated with the Full Prepayment, and (e) pay future Operating Expenses. Upon the receipt of the Full Prepayment by the District and the

payment of any amounts required pursuant to the Development and Reimbursement Agreement, the obligation to pay the Maximum Annual Special Levy for such Parcel shall be deemed to be permanently satisfied, the Maximum Annual Special Levy shall not be levied thereafter on such Parcel, and the Administrator shall cause a notice of cancellation of the Maximum Annual Special Levy for such Parcel to be recorded.

Notwithstanding the foregoing, no Full Prepayment shall be allowed unless the amount of Maximum Annual Special Levies that may be collected after the proposed prepayment is at least the sum of ~~(i) the estimated annual Operating Expenses taking into consideration the Prepaid Operating Expenses and (ii) the required annual debt service coverage ratio set forth in the applicable debt instrument on any issued and outstanding Indebtedness multiplied by the annual payments on such Indebtedness, taking into account the amount of Indebtedness to remain outstanding after such prepayment.~~

J-1. AMENDMENTS

~~Upon the prior written consent of the Developer, Subject to the Development and Reimbursement Agreement,~~ this Rate and Method of Apportionment of Special Levy may be amended pursuant to and to the extent permitted by the Act. The District Board may make clarifications with respect to this Rate and Method of Apportionment of Special Levy without further notice under the Act and without notice to owners of property within the District in order to (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for lawful procedures for the collection and enforcement of the Annual Special Levy so as to ensure the efficient collection of the Annual Special Levy for the benefit of the owners of the Indebtedness and the District, respectively, and/or (iii) provide for such other changes that are within the parameters set forth in the City's public improvement district formation resolution forming the District. The District Board may amend this Rate and Method of Apportionment of Special Levy in connection with an amended Lomas Encantadas/Enchanted Hills Public Improvement District General Plan without further notice under the Act and without notice to owners of ~~Platted Property and Undeveloped Levyable~~ Property in order to specify the amended Maximum Annual Special Levy for any Platted Property and Undeveloped Levyable Property that is the subject of the amended General Plan.

No amendment shall be approved by the District Board if it violates any other agreement binding upon the District and unless and until it has (i) found and determined that the amendment is necessary and appropriate and does not materially adversely affect the rights of the owners of any ~~Reimbursement Certificates Indebtedness~~ or the District Board has obtained the consent of one hundred percent (100.00%) of the owners of the ~~Reimbursement Certificates Indebtedness~~ and (ii) received an opinion from counsel to the effect that the amendment does not violate the Act, and is authorized pursuant to the terms of this Rate and Method of Apportionment of Special Levy and any other agreement binding upon the District.

AMENDED EXHIBIT C

AMENDED LEVY CLASSIFICATIONS

LOMAS ENCANTADAS/ENCHANTED HILLS PID

DATE: _____