

**PETITION TO CREATE A
COMMUNITY FACILITY DISTRICT
(INCLUDING CONSENT AND WAIVER)**

September 3, 2019

City Council of the
City of Rialto
150 South Palm Avenue
Rialto, California 92376

Members of the Council:

This letter shall serve as a formal petition to create a community facilities district and related matters submitted pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"), being Chapter 2.5 of Part 1 of Division 2 of title 5 (commencing with Section 53311) of the California Government Code. The undersigned landowner does hereby certify under penalty of perjury that the following statements are all true and correct:

1. The undersigned is authorized to represent the landowner identified below (and of the land identified below) and is its designated representative to petition the City Council (the "Council") of the City of Rialto (the "City") and to give the consent and waiver contained herein with respect to a community facilities district to be established under the Act (the "CFD" or "District"), which such CFD will include the property described in Exhibit "A".

2. The undersigned hereby certifies that as of the date indicated opposite his signature, the landowner listed herein is the owner of all of the property to be included in the CFD (the "Property"), which Property's boundary is further delineated in Exhibit "A".

3. The undersigned, pursuant to Section 53318 of the Act, hereby requests that proceedings be commenced (i) to establish the CFD for the purpose of financing public facilities and fees associated therewith described in Exhibit "B" hereto (the "Facilities"), and financing certain public services described in Exhibit "C" hereto (the "Services"), in connection with a planned development project on the Property, (ii) to authorize the levy of special taxes within the CFD to finance the Facilities and Services, (iii) to authorize the issuance of bonds for the CFD and (iv) to establish an appropriations limit for the CFD.

4. In accordance with the provisions of the Act, and specifically Sections 53326(a) and 53327(b) thereof, allowing certain time and conduct requirements relative to a special landowner election to be waived with the unanimous consent of all the landowners to be included in a community facilities district and concurrence of the election official conducting the election, the undersigned (i) expressly consents to the conduct of the special election at the earliest possible time following the adoption by the Council of a resolution of formation establishing the CFD and (ii) expressly waives any requirement to have the special election conducted within the time periods specified in Section 53326 of the Act or in the California Elections Code.

5. The undersigned waives any requirement for the mailing of the ballot for the special election and expressly agree that said election may be conducted by mailed or hand-delivered ballot to be returned as quickly as possible to the designated election official, being the office of the City Clerk and the undersigned request that the results of said election be canvassed and reported to the Council at the same meeting of the Council as the public hearing on the formation of the CFD or the next available meeting.

6. The undersigned expressly waives all applicable waiting periods for the election and waives the requirement for analysis and arguments relating to the special election, as set forth in Section 53327 of the Act or required by the California Government Code or California Elections Code, and consents to not having such materials provided to the landowner in the ballot packet, and expressly waives any requirements as to the form of the ballot.

7. The undersigned expressly waives all notice requirements relating to hearings and special elections, whether by posting, publishing or mailing, and whether such requirements are found in the California Elections Code, the California Government Code or other laws or procedures, including but limited to any notice provided for by compliance with the provisions of Section 4101 of the California Elections Code.

8. The undersigned warrants that there are no registered voters residing on the Property and that it is the owner of one hundred percent (100%) of the Property. The undersigned warrants that there are no liens or encumbrances on the Property in the favor of any lender, including but not limited to any deeds of trust, mortgages, leases, or liens of a similar nature.

9. The undersigned warrants that there is no outstanding debt on the Property.

10. The undersigned agrees to execute such additional or supplemental agreements as may be required by the City to provide for any actions and conditions under this petition, including any amount of cash deposit required to pay for the City's costs in establishing the CFD. The undersigned further agrees that this petition shall not be considered as filed with the City for purposes of commencing proceedings for the CFD under the Act unless and until deemed filed by the City in its absolute discretion.

11. The undersigned agrees to cooperate with the City, its attorneys and consultants and provide all information and disclosures required by the City regarding the special taxes to purchasers of the Property or any part of it.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, we hereunto set our hands this 3rd day of September, 2019.

HNK ASSOCIATES, LLC
an Illinois limited liability company

By: Jimmy W. H.

Name: Cheng-Tsung Wu

Title: MEM/MGR

The formation encompasses the following property owned by petitioner:

(Assessor's Parcel Number(s): 0128-051-10-000
0128-051-27-000
0128-051-34-000

The address of the above owner for receiving notices is:

Attention: Sam Wu
HNK Associates, LLC
23880 Canyon Vista Court
Diamond Bar, CA 91675

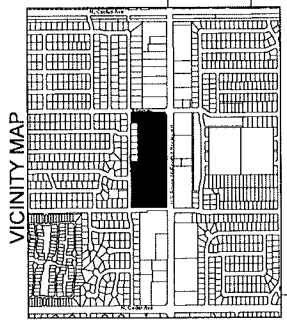
FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF RIALTO THIS
DAY OF _____, 2019.

City Clerk

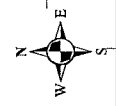
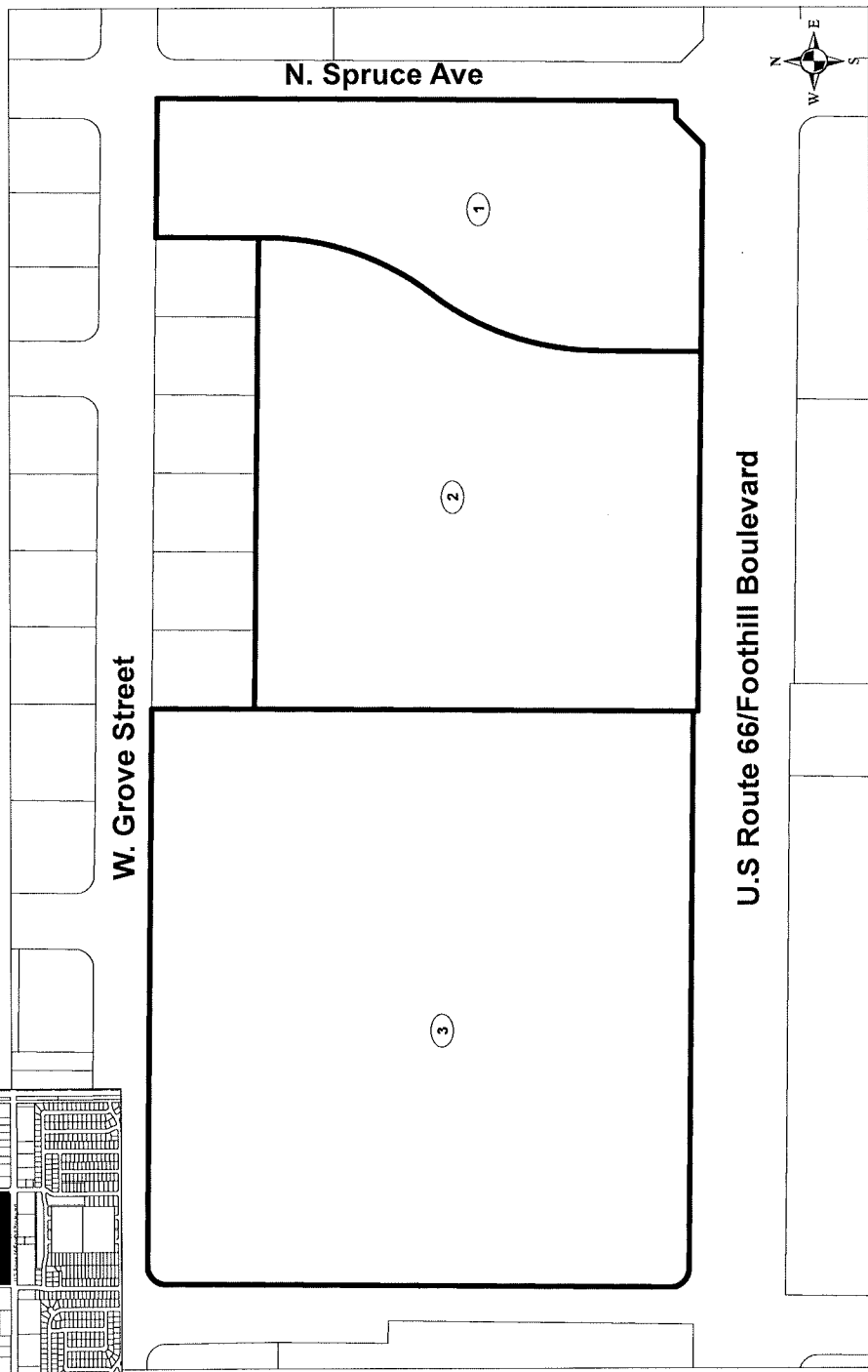
EXHIBIT A
CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2019-2
(FOOTHILL/SPRUCE)

BOUNDARY MAP

[ATTACHED]



CITY OF RIALTO
COUNTY OF SAN BERNARDINO
STATE OF CALIFORNIA



LEGEND

Community Facilities District Boundary

Filed in the office of the City Clerk of City of Rialto this ____ day of _____, 20____.

City Clerk
City of Rialto

I hereby certify that the within map showing the proposed boundaries of Community Facilities District No. 2019-2 (Foothill/Spruce) of the City of Rialto, County of San Bernardino, State of California, was approved by the City Council of City of Rialto at a regular meeting thereof, held on this ____ day of _____, 20____, by its Resolution No. _____.

City Clerk
City of Rialto

Reference is hereby made to the Assessor Maps of the County of San Bernardino for an exact description of the lines and dimensions of each lot and parcel.

San Bernardino County Recorder's Certificate

This map has been filed under Document Number _____, this ____ day of _____, 201____, at _____ m. in Book _____, of _____ at page _____, at the request of _____, in the amount of \$ _____.

Bob Dutton
Assessor-Recorder-Clerk
County of San Bernardino

By: _____
Deputy Recorder

Assessor's Parcel Number	Map Reference Number
0128-051-10-000	1
0128-051-27-000	2
0128-051-34-000	3

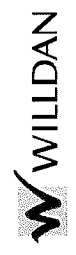


EXHIBIT “B”

TYPES OF FEES AND FACILITIES TO BE FINANCED BY CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2019-2 (FOOTHILL/SPRUCE)

The General Description of the Fees and related Facilities authorized to be financed with the Facilities Special Taxes and bonds of the District are: City development impact fees, including but not limited to, fees for general facilities, law enforcement, fire protection, park development, open space, library facilities, transportation facilities, fair share traffic signal contribution, street medians, storm drain facilities, water facilities, water and landscape meters, fire line services, sewage collection and sewage treatment.

The Facilities financed by such fees are included in the fee programs and capital improvement programs and plans of the City. The facilities include but are not limited to the following:

Parks and Recreation: Acquisition, design, construction and rehabilitation of Parks and Recreation facilities, including but not limited to turf, landscaping, buildings, structures and other amenities and the purchase of equipment for parks and recreation purposes.

Regional Traffic Network: Costs of designing, upgrading and improving the regional traffic network, including but not limited to constructing, improving, rehabilitating, widening streets, thoroughfares, bridges, and intersections. Other improvements include widening of arterials, intersections, installation of traffic signals, grade crossings, and freeway intersections. Improvements may include right of way and/or property acquisition.

Local Traffic Network: Costs of designing, upgrading and/or improving the local traffic network, including right of way or property acquisition. Design and construction of public facilities like streets, traffic lanes, traffic control devices, bike lanes and other traffic improvements.

Street Medians: Cost of designing, upgrading and improving street medians and related improvements, including monuments on major arterials and streets. Design, upgrade, enhancement and/or construction of raised medians and related improvements on major thoroughfares and regional roadways, including but not limited to landscaping, special markers, entrance signs, monument signs and other related improvements.

Municipal Facilities: Cost of providing general municipal facilities and services, including acquisition of property for municipal facilities, design and construction of buildings for municipal services and master plans, purchasing vehicles and equipment for municipal services.

Library Facilities: Cost of constructing and improving library facilities, including acquisition of property, design, construction and/or rehabilitation of buildings for library services and master

plans, furnishing of buildings and facilities for library services, purchase of books, equipment, and vehicles for library services.

Law Enforcement: Cost of providing law enforcement, including the design, construction, rehabilitation and/or acquisition of property and buildings for law enforcement facilities and services, furnishing of buildings for law enforcement services, purchasing of equipment and services for law enforcement services.

Fire Protection: Cost of providing fire protection facilities, including design, construction, rehabilitation, acquisition, furnishing and equipping of property and buildings for fire protection and ambulance and/or related services, Purchasing of equipment and vehicles for fire protection.

Open Space: Acquisition, design, construction, installation of open space and infrastructure for such open space, including preparation, development, studies to designate space for habitat preservation for endangered species or other requests of the council. Design, construction and acquisition of improvements and buildings for open space and/or access thereto and preservation of open space areas. Facilities and endowments for ongoing biological or cultural monitoring or programs necessary to maintain the viability of habitat conservation areas

Sewers: Costs of constructing, designing, rehabilitating and improving sewer collection facilities, and right of ways, including acquisition, construction, improving of property and/or buildings, facilities, infrastructure and pipelines, pump stations, for sewer collection services and master plans, furnishing of sewer stations, lift stations, pumps or facilities for sewer collection services. Purchasing of vehicles and equipment for sewer collection services.

Sewage Treatment: Costs of constructing, designing, rehabilitating and improving and furnishing sewer treatment facilities and master plans, including acquisition of property for sewage treatment facilities and right of way, design and construction of buildings and infrastructure for sewer treatment services, purchase of equipment and vehicles for sewer treatment services

Water Facilities- Domestic and recycled water: costs, including constructing, designing, rehabilitating and improving and furnishing water treatment facilities and domestic water facilities, and master plans. Acquisition of property for water treatment and other facilities and right of way, design and construction of buildings, infrastructure, pipelines for water services (including treatment, production, purification, holding and distribution), purchase of equipment and vehicles for water services. Costs include costs of providing production, storage, and distribution facilities

Storm Drain Facilities: Costs of providing storm water flow and retention facilities. Acquisition, design, construction, rehabilitation of property, buildings and infrastructure for storm drain services, including special studies, retention studies, drainage and other storm flow facilities, retention and detention basins, treatment facilities and pipelines.

Fair Share Facilities: Certain facilities required by the council pursuant to a project approval or capital improvement plan, including but not limited to all of the above mentioned type of

facilities.

OTHER

The District may also finance any of the following:

1. Bond related expenses, including underwriter's discount, reserve fund, capitalized interest, financial advisor fees and expenses, bond and disclosure counsel fees and expenses, special tax consultant fees and expenses, dissemination agent fees and all other incidental expenses.
2. Administrative fees of the City, the CFD and the Bond trustee or fiscal agent related to the District and the Bonds.
3. Reimbursement of costs related to the formation of the District advanced by the City or any related entity, or any landowner or developer within the District, as well as reimbursement of any costs advanced by the City or any related entity, or any landowner or developer within the District, for facilities or other purposes or costs of the District.
4. Litigation expenses, extraordinary costs or other costs of the District.

EXHIBIT “C”

TYPES OF SERVICES ELIGIBLE TO BE FINANCED BY CITY OF RIALTO COMMUNITY FACILITIES DISTRICT NO. 2019-2 (FOOTHILL/SPRUCE)

The Services to be funded by the CFD include the following services and all incidental expenses related to such services, all of which are authorized by the Act:

Police protection services, fire protection and suppression services, ambulance and paramedic services; maintenance and lighting of parks, parkways, streets, roads and open space; maintenance of recreational and community facilities (if received registered voter approval) and flood and storm protection services, including maintenance of storm drains, maintenance and operation of any real property or other tangible property with an estimated useful life of five years or more that is owned by the City.

The services include operational and maintenance costs associated with providing such services.