

ORDINANCE NO. 2025/01

ORDINANCE OF THE BOARD OF EDUCATION OF THE JURUPA UNIFIED SCHOOL DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 16 OF THE JURUPA UNIFIED SCHOOL DISTRICT, AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN TERRITORY ANNEXED TO COMMUNITY FACILITIES DISTRICT NO. 16

WHEREAS, the Jurupa Unified School District (the “School District”) is a public school district organized and existing pursuant to the laws of the State of California (the “State”); and

WHEREAS, the Board of Education (the “Board”) of the School District previously took actions to create a community facilities district pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”), such community facilities district being designated as Community Facilities District No. 16 of the Jurupa Unified School District (“CFD No. 16”); and

WHEREAS, the Board of the District established CFD No. 16 by adopting Resolution No. 2018/21 on November 6, 2017 (the “Resolution of Formation”), pursuant to the provisions of the Act; and

WHEREAS, the Board, acting as the Legislative Body of CFD No. 16 authorized the levy of special taxes within CFD No. 16 pursuant to an approved Rate and Method of Apportionment of Special Taxes, attached hereto as Exhibit “A” and incorporated by reference (the “RMA”); and

WHEREAS, the RMA and the special taxes for CFD No. 16 were approved at a combined special tax and bond election conducted within CFD No. 16 on November 6, 2017; and

WHEREAS, in accordance with Section 53340 of the California Government Code, the Board, acting as the Legislative Body of CFD No. 16 adopted Ordinance No. 2018/01 on December 11, 2017 (“Ordinance No. 2018/01”), providing for the levy of the special taxes within CFD No. 16; and

WHEREAS, on July 22, 2024, the Board, acting as the Legislative Body of CFD No. 16, adopted Resolution No. 2025/04 (the “Resolution of Intent to Annex Territory”) stating its intention to annex certain designated territory into CFD No. 16 pursuant to the Act (sometimes referred to herein as “Annexation No. 03”); and

WHEREAS, on September 16, 2024, this Board conducted and completed a noticed hearing as required by the law and by the Act relative to the determination to annex certain designated territory into CFD No. 16 and the Special Taxes proposed to be levied on the territory proposed to be annexed into CFD No. 16 to provide for acquisition, planning, renovation, construction and/or financing of school facilities authorized to be financed through CFD No. 16 (as further described in the Resolution of Formation and the Resolution of Intent to Annex Territory, the “Facilities”), or pay for any authorized bonded indebtedness or other debt securities.

and related costs of CFD No. 16, all as further described in the Resolution of Formation and the Resolution of Intent to Annex Territory; and

WHEREAS, the Board, after said hearing, called a special tax election within the territory proposed to be annexed into CFD No. 16 for September 16, 2024 (the “Election”), on the proposition of authorizing the levy of such special taxes (the “Proposition”); and

WHEREAS, on September 16, 2024, the Election was held within the proposed Annexation No. 03 territory in which the eligible voters approved, by more than two-thirds (2/3) vote, the Proposition; and

WHEREAS, pursuant to the provisions of the Act, the Board has annexed the Annexation No. 03 territory into CFD No. 16.

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE JURUPA UNIFIED SCHOOL DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 16 OF THE JURUPA UNIFIED SCHOOL DISTRICT, DOES HEREBY ORDAIN, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. By the passage of this Ordinance, the Board authorizes the levy of a special tax on property within the Annexation No. 03 territory, pursuant to the formula set forth in the RMA, in an amount necessary to pay all of the costs of providing the Facilities, periodic costs, and costs of the tax levy and collection, and all other costs including amounts payable with respect to the bonded indebtedness.

Section 3. This legislative body hereby authorizes the Superintendent, on or before August 10 of each year to determine the specific Special Tax rate and amount to be levied for the then current or future tax years, except that the Special Tax rate to be levied shall not exceed the maximum rates set forth in Exhibit A.

Section 4. To the extent provided in the RMA, properties or entities of the state, federal or other local governments shall be exempt from the above authorized special taxes except that when property not otherwise exempt from the above authorized special taxes levied pursuant to the Act is acquired by a public entity through a negotiated transaction, or by gift or devise, the above authorized special taxes shall, notwithstanding this Ordinance, continue to be levied on the property acquired and shall be enforceable against the public entity that acquired the property. Any property within CFD No. 16 that is conveyed to a public school district for use as a public school site will be subject to the applicable provisions of State law, the Act, and the RMA.

Section 5. No other properties or entities are exempt from the above authorized special taxes unless the properties or entities are expressly exempted pursuant to the RMA or a Resolution adopted by this Board.

Section 6. All of the collections of the above authorized special taxes shall be used as provided for in the Act and as set forth in the RMA, the Act, the Resolution of Formation, and the Resolution of Intent to Annex Territory.

Section 7. The above authorized Special Tax shall be collected in the same manner as ordinary *ad valorem* taxes are collected and shall be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes; provided, however, CFD No. 16 may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

Section 8. The Riverside County Tax Collector may deduct reasonable administration costs incurred in collecting the above authorized special tax.

Section 9. As a cumulative remedy, if any amount levied pursuant thereto as special taxes for payment of bond interest or principal together with any penalties and other charges accruing under this Ordinance of the District are not paid when due, the Board may, in accordance with the RMA and the Act, order that the same be collected by an action brought in the superior court to foreclose any lien therefor.

Section 10. The President shall sign this ordinance and the Clerk shall attest to such signature. The Clerk is directed to cause the title and summary or text of this ordinance, together with the vote thereon, to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated within the territorial jurisdiction of the District, and to post at the main office of the District a certified copy of the full text of the adopted ordinance along with the names of the Board Members voting for and against the ordinance.

Section 11. This Ordinance relating to the levy of the special taxes shall take effect thirty (30) days after adoption hereof. A copy of this ordinance shall be transmitted to the Clerk of the Board of Supervisors of Riverside County, the Assessor and the Treasurer-Tax Collector of Riverside County.

ADOPTED by the Board of Education of the Jurupa Unified School District, acting as the legislative body of Community Facilities District No. 16 of the Jurupa Unified School District, at a duly called and noticed meeting, of which the public was provided due notice, and at which a quorum of said Board were in attendance, conducted in the City of Jurupa Valley, California, on the 30th day of September 2024, by the following roll-call vote:

AYES: Joseph Navarro, President; Eric Ditwiler, Ph.D., Clerk; Karen Bradford, M.A.; Trustee; Robert Garcia, Trustee; Melissa Ragole, Trustee

NOES: None

ABSENT/ABSTAIN: None

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF
COMMUNITY FACILITIES DISTRICT NO. 16
OF THE JURUPA UNIFIED SCHOOL DISTRICT**

A Special Tax (as defined herein) shall be levied on and collected from all Assessor's Parcels in Community Facilities District No. 16 of the Jurupa Unified School District, a unified school district organized and existing under the laws of the State of California ("School District"), each Fiscal Year commencing in Fiscal Year 2018/2019 an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA") described below. All of the real property within the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**SECTION A
DEFINITIONS**

For purposes of this RMA, the terms hereinafter set forth have the following meanings:

"Acreage" means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map.

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

"Administrative Expenses" means any ordinary and necessary expense incurred by the School District on behalf of the District related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the District, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the District.

"Administrator" means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

"Annual Special Tax" means the Special Tax actually or expected to be levied in any Fiscal Year on any Assessor's Parcel.

"Approved Property" means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit prior to the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

"**Assessor's Parcel**" means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the District.

"**Assessor's Parcel Map**" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"**Assessor's Parcel Number**" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"**Assigned Annual Special Tax**" means the Special Tax of that name described in Section E hereof.

"**Backup Annual Special Tax**" means the Special Tax of that name described in Section F hereof.

"**Board**" means the Governing Board (Board of Education) of the School District, or its designee, acting as the Legislative Body of the District.

"**Bond Index**" means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

"**Bond Yield**" means the yield of the last series of Bonds issued; for purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non-Arbitrage (Tax) Certificate or other similar bond issuance document.

"**Bonds**" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

"**Building Square Footage**" or "**BSF**" means the square footage of assessable internal living space of a Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, other structures not used as living space, or any other square footage excluded under Government Code Section 65995 as determined by reference to the building permit(s) for such Unit.

"**City**" means the City of Jurupa Valley, or any successor agency.

"**County**" means the County of Riverside.

"**Certificate of Compliance**" means the form issued but the Jurupa Unified School District acknowledging the square footage of assessable internal living space of a Unit, exclusive of any

carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, other structures not used as living space, or any other square footage excluded under Government Code Section 65995 as determined by reference to the building permit(s) for such Unit.

"Developed Property" means all Assessor's Parcels of Taxable Property for which building permit(s) were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year, as determined reasonably by the Administrator.

"District" means Community Facilities District No. 16 of the School District.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section L hereof.

"Final Map" means a final tract map, parcel map, condominium map, lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

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

"Index" The positive percentage change in the RS Means (currently being used by the State Allocation Board ("SAB")), or a reasonably comparable index used by the SAB to estimate changes in school construction costs.

"Lot" means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued.

"Maximum Special Tax" means, for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which may be levied by the District in a given Fiscal Year on such Assessor's Parcel.

"Mitigation Agreement" means the School Facilities Funding and Mitigation Agreement made and entered into as of November 6, 2017 by and among the School District and by Sequanota Partners, LP.

"Net Taxable Acreage" means the total Acreage of Developed Property expected to exist in the District after all Final Maps are recorded.

"One-Time Special Tax" means the amount that may be required to prepay a portion of the Special Tax obligation pursuant to Section D hereof.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section H hereof.

"Prepayment Administrative Fees" means any fees or expenses of the School District or the District associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include among other things the cost of computing the Prepayment Amount, redeeming Bonds, and recording any notices to evidence the prepayment and redemption of Bonds.

"Prepayment Amount" means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section H hereof.

"Present Value of Taxes" means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section J, but in no event exceeding 35 Fiscal Years, including the Fiscal Year in which Special Taxes have previously been levied. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

"Proportionately" means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessors' Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section F, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax, less the Assigned Annual Special Tax, divided by (ii) the Backup Annual Special Tax, less the Assigned Annual Special Tax, is equal for all applicable Assessors' Parcels.

"Provisional Undeveloped Property" means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section L, but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section L, as applicable.

"Reserve Fund Credit" means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. In the event that a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

"School District" means the Jurupa Unified School District, a unified school district organized and existing pursuant to the Constitution and laws of the State of California.

"Special Tax" means any of the special taxes authorized to be levied by the District pursuant to the Act and this RMA.

"Special Tax Requirement" means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the

costs associated with the release of funds from an escrow account(s) established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of facilities authorized by the District provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property, or Provisional Undeveloped Property as set forth in Steps Two through Four of Section F, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement, the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included may not cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

"Taxable Property" means all Assessors Parcels which are not Exempt Property.

"Undeveloped Property" means all Assessors Parcels of Taxable Property which are not Developed Property or Approved Property.

"Unit" means each separate residential dwelling unit, including but not limited to a single family attached or detached unit, condominium, an apartment unit, mobile home, or otherwise, excluding hotels and motels.

"Zone 1" means all Undeveloped or Developed Property within the District that may be subject to pay a One-Time Special Tax in accordance with Section D Below.

"Zone 2" means all Undeveloped or Developed Property within the District that may be subject to pay a One-Time Special Tax in accordance with Section D Below.

"Zone 3" means all Undeveloped or Developed Property within the District that may be subject to pay a One-Time Special Tax in accordance with Section D Below.

SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, commencing with Fiscal Year 2018/2019, all Assessor's Parcels within the District shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Approved Property, and Undeveloped Property or Provisional Property. Developed Property shall be further assigned to a Land Use Class, according to Exhibit A, based on the Building Square Footage of each Unit.

**SECTION C
MAXIMUM SPECIAL TAX**

1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

2. Approved Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property shall be derived by the application of the Assigned Annual Special Tax.

**SECTION D
ONE-TIME SPECIAL TAX**

A One-Time Special Tax may be collected from the owner of each Assessor's Parcel of Undeveloped Property at the time a Certificate of Compliance is issued for such Assessor's Parcel, depending on the Zone the Assessor's Parcel is assigned to. There shall be no One-Time Special Tax for Assessor's Parcels of Undeveloped Property for which the Building Permit is issued for the construction of a residential structure within Zone 1. The One-Time Special Tax for Fiscal Year 2018/2019 for Assessor's Parcels of Undeveloped Property for which the Certificate of Compliance is issued for the construction of a structure shall be the amount determined by reference to Table 1 below.

**Table 1
Fiscal Year 2018/2019
One-Time Special Tax Rate per Square Foot**

Zone	One-Time Special Tax Rate
Zone 1	\$0.00 per Square Foot
Zone 2	\$1.00 per Square Foot
Zone 3	\$2.00 per Square Foot

On each January 1, commencing January 1, 2019, the amount of the One-Time Special Tax shall be increased by the greater of the annual percentage change in the Index or two percent (2.00%) of the amount in effect in the prior Calendar Year. The annual percent change in the Index shall be calculated for the twelve (12) months ending November 30 of the prior Calendar Year.

**SECTION E
ASSIGNED ANNUAL SPECIAL TAXES**

1. Developed Property

On Each July 1, commencing with July 1, 2019, all Assessor's Parcels within the District shall be assigned to a Zone. The Assigned Annual Special Tax for each Assessor Parcel of Developed Property with each Zone will be calculated in accordance with Exhibit B, Exhibit C or Exhibit D, respectively, subject to the increases described below.

2. Increases in the Assigned Annual Special Tax

a. Developed Property

On each July 1, commencing July 1, 2019, the Assigned Annual Special Tax applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

**SECTION F
BACKUP ANNUAL SPECIAL TAX**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

1. Calculation of the Backup Annual Special Tax Rate

The Backup Annual Special Tax for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2018/2019 subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

- | | | |
|---|---|--|
| B | = | Backup Annual Special Tax per Lot for the applicable Fiscal Year |
| U | = | Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed |
| A | = | Acreage of Taxable Property expected to exist in such Final Map at the time of calculation, as determined by the Administrator |
| L | = | Number of Lots in the applicable Final Map at the time of calculation. |

2. Changes to a Final Map

If the Final Map(s) described in the preceding paragraph are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- c. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

3. Increase in the Backup Annual Special Tax

Each July 1, commencing the July 1, 2019, the Backup Annual Special Tax for each Lot of Developed Property within a Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

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

Commencing Fiscal Year 2018/2019 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

Step One: The Annual Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Step Three: If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100%

of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Annual Special Tax on each Assessor's Parcel of Developed Property, whose Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

Step Five: If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

**SECTION H
PREPAYMENT OF ANNUAL SPECIAL TAXES**

1. Special Tax Prepayment Times and Conditions

The Annual Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Assigned Annual Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

2. Special Tax Prepayment Calculation

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The abbreviations above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. Special Tax Prepayment Procedures and Limitations

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel that is prepaid, the Board shall indicate in the records of the District that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Annual Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes that may be levied on Taxable Property, excluding Provisional Undeveloped Property, after such prepayment net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessors' Parcels that are expected to be classified as Exempt Property.

**SECTION I
PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES**

1. Partial Prepayment Times and Conditions

The Annual Special Tax obligation of Assessor's Parcels of Taxable Property may be partially prepaid in increments of ten (10) units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Annual Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Assigned Annual Special Tax shall provide the District with written notice of its intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

2. Partial Prepayment Calculation

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = PVT \times F - RFC + PAF$$

The abbreviations above have the following meanings:

PP=		the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. Partial Prepayment Procedures and Limitations

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the District.

With respect to any Assessor's Parcel that is partially prepaid, the District shall indicate in the records of the District that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as

reasonably determined by the Administrator. Such determination shall include identifying all Assessors' Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the District, without notice to the owners of property within the District for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the District to assist in the efficient preparation of the required bond market disclosure.

SECTION J ANNUAL SPECIAL TAX REMAINDER

In any Fiscal Year which the Annual Special Tax collected from Developed Property exceed the amount needed to make regularly scheduled annual interest and principal payments on outstanding Bonds and pay Administrative Expenses, the School District may use such amount for acquisition, construction or financing of facilities in accordance with the Mitigation Agreement and certain costs associated with the maintenance and operations of school facilities in accordance with the Act, the District proceedings and other applicable laws as determined by the Board.

SECTION K TERMINATION OF SPECIAL TAX

The Annual Special Tax shall be levied for a term of five (5) Fiscal Years after the final maturity of the last series of Bonds, provided that the Annual Special Tax shall not be levied later than Fiscal Year 2059/2060. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board had determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the District have been acquired and all reimbursements have been paid, and (iii) all other obligations of the District have been satisfied.

SECTION L EXEMPTIONS

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than 6.49 ("Minimum Taxable Acreage").

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less

than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property and will continue to be subject to Special Taxes accordingly.

SECTION M APPEALS

Any property owner claiming that the amount or application of the Special Tax levied on his or her property is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than 1 year after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) or an adjustment shall be made for the amount due for any prior Fiscal Year as the representative's decision shall indicate.

SECTION N MANNER OF COLLECTION

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the District may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

EXHIBIT A

Land Use Classification

Land Use Class	Building Square Footage
1	< 1,700
2	1,701 - 1,750
3	1,751 - 1,800
4	1,801 - 1,850
5	1,851 - 1,900
6	1,901 - 1,950
7	1,951 - 2,000
8	2,001 - 2,050
9	2,051 - 2,100
10	2,101 - 2,150
11	2,151 - 2,200
12	2,201 - 2,250
13	2,251 - 2,300
14	2,301 - 2,350
15	2,351 - 2,400
16	2,401 - 2,450
17	2,451 - 2,500
18	2,501 - 2,550
19	2,551 - 2,600
20	2,601 - 2,650
21	2,651 - 2,700
22	2,701 - 2,750
23	2,751 - 2,800
24	2,801 - 2,850
25	2,851 - 2,900
26	2,901 - 2,950
27	2,951 - 3,000
28	3,001 - 3,050
29	3,051 - 3,100
30	3,101 - 3,150
31	3,151 - 3,200
32	3,201 - 3,250
33	3,251 - 3,300
34	3,301 - 3,350
35	3,351 - 3,400
36	3,401 - 3,450
37	3,451 - 3,500
38	3,501 - 3,550
39	3,551 - 3,600
40	3,601 - 3,650
41	3,651 - 3,700
42	3,701 - 3,750
43	3,751 - 3,800
44	3,801 - 3,850
45	3,851 - 3,900
46	3,901 - 3,950
47	3,951 - 4,000
48	4,001 - 4,050
49	4,051 - 4,100
50	> 4,101

EXHIBIT B

Fiscal Year 2018/2019

Zone 1 Assigned Annual Special Taxes for Developed Property

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 1,700	\$1,194.44 per Unit
2	1,701 - 1,750	\$1,239.78 per Unit
3	1,751 - 1,800	\$1,285.12 per Unit
4	1,801 - 1,850	\$1,330.45 per Unit
5	1,851 - 1,900	\$1,375.79 per Unit
6	1,901 - 1,950	\$1,421.13 per Unit
7	1,951 - 2,000	\$1,466.47 per Unit
8	2,001 - 2,050	\$1,511.81 per Unit
9	2,051 - 2,100	\$1,557.15 per Unit
10	2,101 - 2,150	\$1,602.48 per Unit
11	2,151 - 2,200	\$1,647.82 per Unit
12	2,201 - 2,250	\$1,693.16 per Unit
13	2,251 - 2,300	\$1,738.50 per Unit
14	2,301 - 2,350	\$1,783.84 per Unit
15	2,351 - 2,400	\$1,829.18 per Unit
16	2,401 - 2,450	\$1,874.51 per Unit
17	2,451 - 2,500	\$1,919.85 per Unit
18	2,501 - 2,550	\$1,965.19 per Unit
19	2,551 - 2,600	\$2,010.53 per Unit
20	2,601 - 2,650	\$2,055.87 per Unit
21	2,651 - 2,700	\$2,101.21 per Unit
22	2,701 - 2,750	\$2,146.54 per Unit
23	2,751 - 2,800	\$2,191.88 per Unit
24	2,801 - 2,850	\$2,237.21 per Unit
25	2,851 - 2,900	\$2,282.55 per Unit
26	2,901 - 2,950	\$2,327.89 per Unit
27	2,951 - 3,000	\$2,373.23 per Unit
28	3,001 - 3,050	\$2,418.56 per Unit
29	3,051 - 3,100	\$2,463.90 per Unit
30	3,101 - 3,150	\$2,509.24 per Unit
31	3,151 - 3,200	\$2,554.58 per Unit
32	3,201 - 3,250	\$2,599.92 per Unit
33	3,251 - 3,300	\$2,645.26 per Unit
34	3,301 - 3,350	\$2,690.59 per Unit
35	3,351 - 3,400	\$2,735.93 per Unit
36	3,401 - 3,450	\$2,781.27 per Unit
37	3,451 - 3,500	\$2,826.61 per Unit
38	3,501 - 3,550	\$2,871.95 per Unit
39	3,551 - 3,600	\$2,917.29 per Unit
40	3,601 - 3,650	\$2,962.62 per Unit
41	3,651 - 3,700	\$3,007.96 per Unit
42	3,701 - 3,750	\$3,053.30 per Unit
43	3,751 - 3,800	\$3,098.64 per Unit
44	3,801 - 3,850	\$3,143.98 per Unit
45	3,851 - 3,900	\$3,189.32 per Unit
46	3,901 - 3,950	\$3,234.65 per Unit
47	3,951 - 4,000	\$3,279.99 per Unit
48	4,001 - 4,050	\$3,325.33 per Unit
49	4,051 - 4,100	\$3,370.67 per Unit
50	> 4,101	\$3,416.01 per Unit

EXHIBIT C

Fiscal Year 2018/2019

Zone 2 Assigned Annual Special Taxes for Developed Property

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 1,700	\$1,020.73 per Unit
2	1,701 - 1,750	\$1,062.86 per Unit
3	1,751 - 1,800	\$1,104.99 per Unit
4	1,801 - 1,850	\$1,147.12 per Unit
5	1,851 - 1,900	\$1,189.25 per Unit
6	1,901 - 1,950	\$1,231.38 per Unit
7	1,951 - 2,000	\$1,273.51 per Unit
8	2,001 - 2,050	\$1,315.64 per Unit
9	2,051 - 2,100	\$1,357.77 per Unit
10	2,101 - 2,150	\$1,399.90 per Unit
11	2,151 - 2,200	\$1,442.03 per Unit
12	2,201 - 2,250	\$1,484.16 per Unit
13	2,251 - 2,300	\$1,526.29 per Unit
14	2,301 - 2,350	\$1,568.42 per Unit
15	2,351 - 2,400	\$1,610.55 per Unit
16	2,401 - 2,450	\$1,652.68 per Unit
17	2,451 - 2,500	\$1,694.81 per Unit
18	2,501 - 2,550	\$1,736.94 per Unit
19	2,551 - 2,600	\$1,779.07 per Unit
20	2,601 - 2,650	\$1,821.20 per Unit
21	2,651 - 2,700	\$1,863.33 per Unit
22	2,701 - 2,750	\$1,905.46 per Unit
23	2,751 - 2,800	\$1,947.59 per Unit
24	2,801 - 2,850	\$1,989.72 per Unit
25	2,851 - 2,900	\$2,031.85 per Unit
26	2,901 - 2,950	\$2,073.98 per Unit
27	2,951 - 3,000	\$2,116.11 per Unit
28	3,001 - 3,050	\$2,158.24 per Unit
29	3,051 - 3,100	\$2,200.37 per Unit
30	3,101 - 3,150	\$2,242.50 per Unit
31	3,151 - 3,200	\$2,284.63 per Unit
32	3,201 - 3,250	\$2,326.76 per Unit
33	3,251 - 3,300	\$2,368.89 per Unit
34	3,301 - 3,350	\$2,411.02 per Unit
35	3,351 - 3,400	\$2,453.15 per Unit
36	3,401 - 3,450	\$2,495.28 per Unit
37	3,451 - 3,500	\$2,537.41 per Unit
38	3,501 - 3,550	\$2,579.54 per Unit
39	3,551 - 3,600	\$2,621.67 per Unit
40	3,601 - 3,650	\$2,663.80 per Unit
41	3,651 - 3,700	\$2,705.93 per Unit
42	3,701 - 3,750	\$2,748.06 per Unit
43	3,751 - 3,800	\$2,790.19 per Unit
44	3,801 - 3,850	\$2,832.32 per Unit
45	3,851 - 3,900	\$2,874.45 per Unit
46	3,901 - 3,950	\$2,916.58 per Unit
47	3,951 - 4,000	\$2,958.71 per Unit
48	4,001 - 4,050	\$3,000.84 per Unit
49	4,051 - 4,100	\$3,042.97 per Unit
50	> 4,101	\$3,085.10 per Unit

EXHIBIT D

Fiscal Year 2018/2019

Zone 3 Assigned Annual Special Taxes for Developed Property

Land Use Class	Building Square Footage	Assigned Annual Special Tax
1	< 1,700	\$862.82 per Unit
2	1,701 - 1,750	\$902.04 per Unit
3	1,751 - 1,800	\$941.25 per Unit
4	1,801 - 1,850	\$980.46 per Unit
5	1,851 - 1,900	\$1,019.68 per Unit
6	1,901 - 1,950	\$1,058.89 per Unit
7	1,951 - 2,000	\$1,098.10 per Unit
8	2,001 - 2,050	\$1,137.32 per Unit
9	2,051 - 2,100	\$1,176.53 per Unit
10	2,101 - 2,150	\$1,215.74 per Unit
11	2,151 - 2,200	\$1,254.96 per Unit
12	2,201 - 2,250	\$1,294.17 per Unit
13	2,251 - 2,300	\$1,333.38 per Unit
14	2,301 - 2,350	\$1,372.60 per Unit
15	2,351 - 2,400	\$1,411.81 per Unit
16	2,401 - 2,450	\$1,451.02 per Unit
17	2,451 - 2,500	\$1,490.24 per Unit
18	2,501 - 2,550	\$1,529.45 per Unit
19	2,551 - 2,600	\$1,568.66 per Unit
20	2,601 - 2,650	\$1,607.88 per Unit
21	2,651 - 2,700	\$1,647.09 per Unit
22	2,701 - 2,750	\$1,686.30 per Unit
23	2,751 - 2,800	\$1,725.52 per Unit
24	2,801 - 2,850	\$1,764.72 per Unit
25	2,851 - 2,900	\$1,803.93 per Unit
26	2,901 - 2,950	\$1,843.15 per Unit
27	2,951 - 3,000	\$1,882.36 per Unit
28	3,001 - 3,050	\$1,921.57 per Unit
29	3,051 - 3,100	\$1,960.79 per Unit
30	3,101 - 3,150	\$2,000.00 per Unit
31	3,151 - 3,200	\$2,039.21 per Unit
32	3,201 - 3,250	\$2,078.43 per Unit
33	3,251 - 3,300	\$2,117.64 per Unit
34	3,301 - 3,350	\$2,156.85 per Unit
35	3,351 - 3,400	\$2,196.07 per Unit
36	3,401 - 3,450	\$2,235.28 per Unit
37	3,451 - 3,500	\$2,274.49 per Unit
38	3,501 - 3,550	\$2,313.71 per Unit
39	3,551 - 3,600	\$2,352.92 per Unit
40	3,601 - 3,650	\$2,392.13 per Unit
41	3,651 - 3,700	\$2,431.35 per Unit
42	3,701 - 3,750	\$2,470.56 per Unit
43	3,751 - 3,800	\$2,509.77 per Unit
44	3,801 - 3,850	\$2,548.99 per Unit
45	3,851 - 3,900	\$2,588.20 per Unit
46	3,901 - 3,950	\$2,627.41 per Unit
47	3,951 - 4,000	\$2,666.63 per Unit
48	4,001 - 4,050	\$2,705.84 per Unit
49	4,051 - 4,100	\$2,745.05 per Unit
50	> 4,101	\$2,784.27 per Unit

