

## **ORDINANCE NO. LB21/22-1**

### **ORDINANCE OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN IMPROVEMENT AREAS A AND B OF COMMUNITY FACILITIES DISTRICT NO. 2021-1**

**WHEREAS**, the William S. Hart Union High School District (“School District”) is a public school district organized and existing pursuant to the laws of the State of California (“State”); and

**WHEREAS**, the Governing Board (“Board”) of the William S. Hart Union High School District (“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 (“Act”), such community facilities district being designated as Community Facilities District No. 2021-1 of the William S. Hart Union High School District (“CFD No. 2021-1”) including designated portions thereof formed as Improvement Area A of CFD No. 2021-1 (“IA-A”) and Improvement Area B of CFD No. 2021-1 (“IA-B”); and

**WHEREAS**, the Board of the District established CFD No. 2021-1 and the Improvement Areas thereof, by adopting Resolution No. 21/22-1 on August 4, 2021 (“Resolution of Formation”), pursuant to the provisions of the Act; and

**WHEREAS**, the Board, acting as the Legislative Body of CFD No. 2021-1 on behalf of IA-A, authorized the levy of special taxes within IA-A, pursuant to an approved Rate and Method of Apportionment for Improvement Area A of Community Facilities District No. 2021-1 of William S. Hart Union High School District (“IA-A RMA”); and

**WHEREAS**, the IA-A RMA and the special taxes for IA-A were approved at a combined special tax and bond election conducted within IA-A on August 4, 2021; and

**WHEREAS**, the Board, acting as the Legislative Body of CFD No. 2021-1, on behalf of IA-B, authorized the levy of special taxes within IA-B pursuant to an approved Rate and Method of Apportionment for Improvement Area B of Community Facilities District No. 2021-1 of William S. Hart Union High School District (“IA-B RMA”); and

**WHEREAS**, the IA-B RMA and the special taxes for IA-B were approved at a combined special tax and bond election conducted within IA-B on August 4, 2021,

**NOW, THEREFORE, THE GOVERNING BOARD OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1, DOES HEREBY ORDAIN 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 Improvement Area A of Community Facilities District 2021-1 pursuant to the formula set forth in the IA-A RMA, attached hereto as Exhibit “A” and incorporated by reference, in an amount necessary to pay all amounts payable with respect to the bonded indebtedness and other obligations, and to finance, refinance and/or fund the facilities to benefit the property within the boundaries of CFD No. 2021-1, which boundaries are described in Resolution No. 21/22-1.

**Section 3.** By the passage of this Ordinance, the Board authorizes the levy of a special tax on property within Improvement Area B of Community Facilities District 2021-1 pursuant to the formula set forth in the IA-B RMA, attached hereto as Exhibit “B” and incorporated by reference, in an amount necessary to pay all amounts payable with respect to the bonded indebtedness and other obligations, and to finance, refinance and/or fund the facilities to benefit the property within the boundaries of CFD No. 2021-1, which boundaries are described in Resolution No. 21/22-1.

**Section 4.** The Board is hereby further authorized each year to determine the rate of such special taxes and amount to be levied for the next fiscal year, except that the special tax rate to be levied shall not exceed that as set forth in Exhibits “A” and “B” as applicable.

**Section 5.** To the extent provided in the RMAs, 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 the corresponding Improvement Area of CFD No. 2021-1 which 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 corresponding RMA.

**Section 6.** No other properties or entities are exempt from the above authorized special taxes unless the properties or entities are expressly exempted in Resolution No. 21/22-1 and the RMAs.

**Section 7.** All of the collections of the above authorized special taxes shall be used as provided for in the Act and as set forth in Resolution No. 21/22-1.

**Section 8.** The above authorized Special Taxes may be collected in the same manner as ordinary *ad valorem* taxes are collected and may be subject to the same penalties and the same procedure, sale, and lien priority in cases of delinquency as provided for ad valorem taxes, or another procedure as may be adopted by the Board.

**Section 9.** The Los Angeles County Tax Collector may deduct reasonable administration costs incurred in collecting the above authorized special tax.

**Section 10.** 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, not later than four (4) years after the due date of the last installment of principal, order that the same be collected by an action brought in the superior court to foreclose any lien therefor.

**Section 11.** The President and the Clerk of the Board shall sign this Ordinance and the Clerk of the Board shall cause a summary of the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated within the boundaries of the District.

**Section 12.** This Ordinance relating to the levy of the special taxes shall take effect thirty (30) days after adoption hereof.

ORDAINED, SIGNED AND APPROVED this 1st of September, 2021.

**GOVERNING BOARD OF THE WILLIAM S.  
HART UNION HIGH SCHOOL DISTRICT,  
ACTING AS THE LEGISLATIVE BODY OF  
COMMUNITY FACILITIES DISTRICT NO.  
2021-1**

---

President of the Governing Board of the William S.  
Hart Union High School District

**ATTEST:**

---

Clerk of the Governing Board of the William S. Hart  
Union High School District

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

)  
) ss.  
)

I, Joe Messina, Clerk, of the Governing Board of the William S. Hart Union High School District, do hereby certify that the foregoing ordinance was duly adopted by the Governing Board of said School District, acting as the Legislative Body of Community Facilities District No. 2021-1, at a meeting thereof duly and regularly held at the regular meeting place thereof September 1, 2021 at which a quorum of such Board was present and acting throughout and for which notice and an agenda was prepared and posted as required by law and at which meeting all of the members of such Board had due notice and that at such meeting the attached ordinance was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Clerk of the Governing Board of the William S. Hart  
Union High School District

STATE OF CALIFORNIA

)

) ss.

COUNTY OF LOS ANGELES

)

I, Joe Messina, Clerk, of the Governing Board of the William S. Hart Union High School District, do hereby certify that the foregoing is a full, true and correct copy of Ordinance No. LB21/22-1 of said Board and that the same has not been amended or repealed.

Dated this 1st of September, 2021.

---

Clerk of the Governing Board of the William S. Hart  
Union High School District

## EXHIBIT "A"

### **RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF IMPROVEMENT AREA A OF COMMUNITY FACILITIES DISTRICT NO. 2021- 1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT**

A Special Tax (as defined herein) shall be levied on and collected from all Assessor's Parcels within Improvement Area ("IA") A of Community Facilities District No. 2021-1 ("CFD") of the William S. Hart Union High School District ("School District") each Fiscal Year commencing in Fiscal Year 2021/2022, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA") described below. All the real property within the IA, unless exempted by law or by 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 Community 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 CFD 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 CFD, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the CFD including a proportionate amount of School District general administrative overhead related thereto.

**"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 levied in a Fiscal Year on an 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 on or before 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 IA.

**"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 D hereof.

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

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

**"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, if applicable, the yield of the most recently issued series of Bonds. 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.

**"County"** means the County of Los Angeles, California.

**"CFD"** means Community Facilities District No. 2021-1 of the William S. Hart Union High School District.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which building permit(s) were issued for one or more Units on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels are associated with a Lot within a Final Map that was recorded prior to January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

**"Exempt Property"** means all Assessor's Parcels within the IA designated as being exempt from Special Taxes pursuant to Section K hereof.

**"Final Map"** means a final tract map, parcel 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.

**"IA"** means Improvement Area A of Community Facilities District No. 2021-1 of the School District.

**"Land Use Class or Classes"** means the tax classifications depicted in Table 1 for all Assessor's Parcel of Developed Property based on the Building Square Footage of the Units permitted on such Assessor's Parcel.

**"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 can be levied by the CFD, on behalf of the IA, in a given Fiscal Year on such Assessor's Parcel.

**"Mitigation Agreement"** means the Amended and Restated School Facilities Funding and Mitigation Agreement made and entered into as of \_\_\_\_\_, 2021 by and among the School District, Community Facilities District No. 2008-1 of the School District, and WH Castaic 497, LLC, as it may be amended.

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

**"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 CFD 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 G hereof.

**"Present Value of Taxes"** means for any Assessor's Parcel the sum 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 present value 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 longer than 33 Fiscal Years. 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 Assessor's 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 Assessor's Parcels.

**"Provisional Undeveloped Property"** means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K, 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 K, 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. If 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 William S. Hart Union High School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

**"Special Tax"** means any of the special taxes authorized to be levied on Taxable Property within the IA by the CFD 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 or accounts 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 school facilities and certain costs associated with the maintenance and operations of school facilities authorized by the CFD 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 cannot 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 Assessor's Parcels within the IA which are not Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property which are not Developed Property, Approved Property or Provisional Undeveloped 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 hotel and motels.

**SECTION B**  
**CLASSIFICATION OF ASSESSOR'S PARCELS**

Each Fiscal Year, commencing with Fiscal Year 2021/2022, all Assessor's Parcels within the IA 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, Undeveloped Property or Provisional Undeveloped Property. Developed Property shall be further assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

**Table 1**

Land Use Classification	
Land Use Class	Building Square Footage
1	≤ 1,900 sq. ft.
2	1,901 – 2,200 sq. ft.
3	2,201 – 2,500 sq. ft.
4	2,501 – 2,800 sq. ft.
5	2,801 – 3,100 sq. ft.
6	3,101 – 3,400 sq. ft.
7	3,401 – 3,900 sq. ft.
8	> 3,900 sq. ft.

**SECTION C**  
**MAXIMUM SPECIAL TAX RATE**

**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.

**3. Undeveloped Property**

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

**SECTION D**  
**ASSIGNED ANNUAL SPECIAL TAXES**

**1. Developed Property**

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

**Table 2**

**Fiscal Year 2021/2022**  
**Assigned Annual Special Taxes**  
**for Developed Property**

<b>Land Use Class</b>	<b>Building Square Footage</b>	<b>Assigned Annual Special Tax Rate</b>
1	≤ 1,900 sq. ft.	\$1,326.00 per Unit
2	1,901 – 2,200 sq. ft.	\$1,425.00 per Unit
3	2,201 – 2,500 sq. ft.	\$1,554.00 per Unit
4	2,501 – 2,800 sq. ft.	\$1,682.00 per Unit
5	2,801 – 3,100 sq. ft.	\$1,777.00 per Unit
6	3,101 – 3,400 sq. ft.	\$1,875.00 per Unit
7	3,401 – 3,900 sq. ft.	\$1,991.00 per Unit
8	> 3,900 sq. ft.	\$2,123.00 per Unit

**2. Approved Property, Undeveloped Property and Provisional Undeveloped Property**

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property, or Provisional Undeveloped Property shall be \$6,524.00 per acre of Acreage, subject to increases as described below.

**3. Increases in the Assigned Annual Special Tax**

**a. Developed Property**

On each July 1, commencing July 1, 2022, the Assigned Annual Special Tax rate applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**b. Approved Property, Undeveloped Property and Provisional Undeveloped Property**

On each July 1, commencing July 1, 2022, the Assigned Annual Special Tax rate per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

## SECTION E 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 rate 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 2021/2022 or such later Fiscal Year in which such Final Map is created, 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 at buildout within such Final Map at the time of calculation, as determined by the Administrator
L	=	Number of Lots within the applicable Final Map at the time of calculation

### 2. **Changes to a Final Map**

If the Final Map(s) described in the preceding Section E(1) 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 a 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 b 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 following the initial calculation of the Backup Annual Special Tax rate for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

## **SECTION F METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2021/2022 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 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, for which the 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 G PREPAYMENT OF SPECIAL TAXES**

### **1. Special Tax Prepayment Times and Conditions**

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if 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 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 terms 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 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 CFD, on behalf of the IA.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the CFD 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 the owner of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such prepayment 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 Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the 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 CFD, without notice to the owners of property within the IA for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFD, on behalf of the IA, to assist in the efficient preparation of

the required bond market disclosure.

## **SECTION H PARTIAL PREPAYMENT OF SPECIAL TAXES**

### **1. Partial Prepayment Times and Conditions**

The Special Tax obligation for 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 Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the CFD with written notice of their 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 terms 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 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 CFD.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the CFD that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded

in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay such prepaid portion of the 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 multiplied by the applicable Assigned Annual Special Tax and Backup Annual Special Tax prior to the prepayment.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, 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 Assessor's 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 CFD, without notice to the owners of property within the IA for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFD, on behalf of the IA, to assist in the efficient preparation of the required bond market disclosure.

## **SECTION I ANNUAL SPECIAL TAX REMAINDER**

In any Fiscal Year in which the Special Taxes 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 school facilities and certain costs associated with the maintenance and operations of school facilities in accordance with the Act, CFD proceedings and other applicable laws as determined by the Board.

## **SECTION J TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied for a term of three (3) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2062/2063. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the CFD have been acquired and all reimbursements have been paid, and (iii) all other obligations of the CFD have been satisfied.

## **SECTION K 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 72.4470 acres of Acreage ("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 the Acreage 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, as applicable, and will continue to be subject to Special Taxes accordingly.

## **SECTION L APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months 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 Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

## **SECTION M MANNER OF COLLECTION**

The 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 CFD 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 "B"

### **RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF IMPROVEMENT AREA B OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT**

A Special Tax (as defined herein) shall be levied on and collected from all Assessor's Parcels within Improvement Area ("IA") B of Community Facilities District No. 2021-1 ("CFD") of the William S. Hart Union High School District ("School District") each Fiscal Year commencing in Fiscal Year 2021/2022, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA") described below. All the real property within the IA, unless exempted by law or by 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 Community 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 CFD 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 CFD, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the CFD including a proportionate amount of School District general administrative overhead related thereto.

**"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 levied in a Fiscal Year on an 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 on or before 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 IA.

**"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 D hereof.

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

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

**"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, if applicable, the yield of the most recently issued series of Bonds. 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.

**"County"** means the County of Los Angeles, California.

**"CFD"** means Community Facilities District No. 2021-1 of the William S. Hart Union High School District.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which building permit(s) were issued for one or more Units on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels are associated with a Lot within a Final Map that was recorded prior to January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

**"Exempt Property"** means all Assessor's Parcels within the IA designated as being exempt from Special Taxes pursuant to Section K hereof.

**"Final Map"** means a final tract map, parcel 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.

**"IA"** means Improvement Area B of Community Facilities District No. 2021-1 of the School District.

**"Land Use Class or Classes"** means the tax classifications depicted in Table 1 for all Assessor's Parcel of Developed Property based on the Building Square Footage of the Units permitted on such Assessor's Parcel.

**"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 can be levied by the CFD, on behalf of the IA, in a given Fiscal Year on such Assessor's Parcel.

**"Mitigation Agreement"** means the Amended and Restated School Facilities Funding and Mitigation Agreement made and entered into as of \_\_\_\_\_, 2021 by and among the School District, Community Facilities District No. 2008-1 of the School District, and WH Castaic 497, LLC, as it may be amended.

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

**"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 CFD 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 G hereof.

**"Present Value of Taxes"** means for any Assessor's Parcel the sum 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 present value 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 longer than 33 Fiscal Years. 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 Assessor's 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 Assessor's Parcels.

**"Provisional Undeveloped Property"** means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K, 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 K, 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. If 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 William S. Hart Union High School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

**"Special Tax"** means any of the special taxes authorized to be levied on Taxable Property within the IA by the CFD 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 or accounts 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 school facilities and certain costs associated with the maintenance and operations of school facilities authorized by the CFD 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 cannot 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 Assessor's Parcels within the IA which are not Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property which are not Developed Property, Approved Property or Provisional Undeveloped 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 hotel and motels.

## **SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS**

Each Fiscal Year, commencing with Fiscal Year 2021/2022, all Assessor's Parcels within the IA 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, Undeveloped Property or Provisional Undeveloped Property. Developed Property shall be further assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

**Table 1**

<b>Land Use Classification</b>	
<b>Land Use Class</b>	<b>Building Square Footage</b>
1	≤ 1,900 sq. ft.
2	1,901 – 2,200 sq. ft.
3	2,201 – 2,500 sq. ft.
4	2,501 – 2,800 sq. ft.
5	2,801 – 3,100 sq. ft.
6	3,101 – 3,400 sq. ft.
7	3,401 – 3,900 sq. ft.
8	> 3,900 sq. ft.

## **SECTION C MAXIMUM SPECIAL TAX RATE**

**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.

**3. Undeveloped Property**

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

**SECTION D**  
**ASSIGNED ANNUAL SPECIAL TAXES**

**1. Developed Property**

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

**Table 2**

**Fiscal Year 2021/2022  
Assigned Annual Special  
Taxes for Developed Property**

<b>Land Use Class</b>	<b>Building Square Footage</b>	<b>Assigned Annual Special Tax Rate</b>
1	≤ 1,900 sq. ft.	\$1,326.00 per Unit
2	1,901 – 2,200 sq. ft.	\$1,425.00 per Unit
3	2,201 – 2,500 sq. ft.	\$1,554.00 per Unit
4	2,501 – 2,800 sq. ft.	\$1,682.00 per Unit
5	2,801 – 3,100 sq. ft.	\$1,777.00 per Unit
6	3,101 – 3,400 sq. ft.	\$1,875.00 per Unit
7	3,401 – 3,900 sq. ft.	\$1,991.00 per Unit
8	> 3,900 sq. ft.	\$2,123.00 per Unit

**2. Approved Property, Undeveloped Property and Provisional Undeveloped Property**

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property, or Provisional Undeveloped Property shall be \$7,703.00 per acre of Acreage, subject to increases as described below.

**3. Increases in the Assigned Annual Special Tax**

**a. Developed Property**

On each July 1, commencing July 1, 2022, the Assigned Annual Special Tax rate applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**b. Approved Property, Undeveloped Property and Provisional Undeveloped Property**

On each July 1, commencing July 1, 2022, the Assigned Annual Special Tax rate per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

## SECTION E 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 rate 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 2021/2022 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = \frac{(U \times A)}{L}$$

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 at buildout within such Final Map at the time of calculation, as determined by the Administrator |
| L | = | Number of Lots within the applicable Final Map at the time of calculation  |

### 2. **Changes to a Final Map**

If the Final Map(s) described in the preceding Section E(1) 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 a 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 b 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 following the initial calculation of the Backup Annual Special Tax rate for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

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

Commencing Fiscal Year 2021/2022 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 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, for which the 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 G  
PREPAYMENT OF SPECIAL TAXES**

**1. Special Tax Prepayment Times and Conditions**

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if 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 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 terms 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 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 CFD, on behalf of the IA.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the CFD 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 the owner of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such prepayment 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 Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the 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 CFD, without notice to the owners of property within the IA for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFD, on behalf of the IA, to assist in the efficient preparation of the required bond market disclosure.

## **SECTION H PARTIAL PREPAYMENT OF SPECIAL TAXES**

### **1. Partial Prepayment Times and Conditions**

The Special Tax obligation for 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 Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the CFD with written notice of their 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

$$\text{formula: } PP = PVT \times F - RFC + PAF$$

The terms 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 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 CFD.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the CFD that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay such prepaid portion of the 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 multiplied by the applicable Assigned Annual Special Tax and Backup Annual Special Tax prior to the prepayment.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, 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 Assessor's 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 CFD, without notice to the owners of property within the IA for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFD, on behalf of the IA, to assist in the efficient preparation of the required bond market disclosure.

## **SECTION I ANNUAL SPECIAL TAX REMAINDER**

In any Fiscal Year in which the Special Taxes 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 school facilities and certain costs associated with the maintenance and operations of school facilities in accordance with the Act, CFD proceedings and other applicable laws as determined by the Board.

## **SECTION J TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied for a term of three (3) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2062/2063. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the CFD have been acquired and all reimbursements have been paid, and (iii) all other obligations of the CFD have been satisfied.

## **SECTION K 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 47.1485 acres of Acreage ("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 the Acreage 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, as applicable, and will continue to be subject to Special Taxes accordingly.

## **SECTION L APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months 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 Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

**SECTION M**  
**MANNER OF COLLECTION**

The 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 CFD 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.