



## RESOLUTION NO. 20-21-08

### INTENTION TO ESTABLISH A COMMUNITY FACILITIES DISTRICT PROPOSED TO BE NAMED COMMUNITY FACILITIES DISTRICT NO. 2020-1 OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT, AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES

**WHEREAS**, Section 53318 of the Mello-Roos Community Facilities Act of 1982 (the “Act”) provides that proceedings for the establishment of a community facilities district shall be instituted by a legislative body of a local agency when a petition requesting the institution of the proceedings signed by the owners of not less than 10% of the area of land proposed to be included in the community facilities district and not proposed to be exempt from the special tax, describing the boundaries of the territory that is proposed for inclusion in the community facilities district and specifying the types of facilities and services to be financed by the community facilities district is filed with the clerk of the legislative body;

**WHEREAS**, Section 53318 of the Act further provides that such a petition is not required to be acted upon until the payment of a fee in an amount that the legislative body determines, within 45 days of receiving such petition, is sufficient to compensate the legislative body for all costs incurred in conducting proceedings to create a community facilities district pursuant to the Act;

**WHEREAS**, the Board of Trustees (the “Board of Trustees”) of the San Jacinto Unified School District (the “School District”) has received a written petition (the “Petition”) from D.R. Horton Los Angeles Holding Company, Inc., a California corporation (the “Landowner”), requesting the institution of proceedings for the establishment of a community facilities district (the “Community Facilities District”), describing the boundaries of the territory that is proposed for inclusion in the Community Facilities District and specifying the types of facilities to be financed by the Community Facilities District;

**WHEREAS**, the Landowner has represented and warranted to the Board of Trustees that the Landowner is the owner of 100% of the area of land proposed to be included within the Community Facilities District and not proposed to be exempt from the special tax;

**WHEREAS**, Section 53314.9 of the Act provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds for any authorized purpose, including, but not limited to, paying any cost incurred by the local agency in creating a community facilities district;

**Dr. David Pyle, District Superintendent**

Dr. Sherry Smith  
Deputy Superintendent - Personnel Services

Seth Heeren  
Assistant Superintendent - Business Services

John Roach  
Assistant Superintendent - Educational Services

#### Board of Trustees

John I. Norman, President • Deborah Rex, Clerk • Trica Ojeda, Member • Jasmin Rubio, Member • Vacancy, Member

**WHEREAS**, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53321 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds;

**WHEREAS**, the School District and the Landowner have entered into a Deposit and Reimbursement Agreement, dated as of September 1, 2020 (the "Deposit Agreement"), relating to the Community Facilities District, that provides for the advancement of funds by the Landowner to be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby, and provides for the reimbursement to the Landowner of such funds advanced, without interest, from the proceeds of any such bonds issued by the Community Facilities District; and

**WHEREAS**, the School District desires to include in this Resolution, in accordance with Section 53314.9 of the Act, the proposal to repay funds pursuant to the Deposit Agreement;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Trustees of the San Jacinto Unified School District, as follows:

- Section 1. The foregoing recitals are true and correct, and the Board of Trustees so finds and determines.
- Section 2. The Board of Trustees hereby finds that the Petition is signed by the owner of the requisite amount of land proposed to be included in the Community Facilities District.
- Section 3. The Board of Trustees proposes to establish a community facilities district under the terms of the Act. The boundaries of the territory proposed for inclusion in the Community Facilities District are described in the map showing the proposed Community Facilities District (the "Boundary Map") on file with the Clerk of the Board of Trustees (the "Clerk"), which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The Clerk is hereby directed to sign the original Boundary Map and record, or cause to be recorded, the Boundary Map with all proper endorsements thereon in the office of the Riverside County Recorder within 15 days of the date of adoption of this Resolution, all as required by Section 3111 of the California Streets and Highways Code.
- Section 4. The name proposed for the Community Facilities District is "Community Facilities District No. 2020-1 of the San Jacinto Unified School District".
- Section 5. The public facilities (the "Facilities") proposed to be financed by the Community Facilities District pursuant to the Act are described under the caption "Facilities" on Exhibit A hereto, which is by this reference incorporated herein. The incidental expenses proposed to be incurred are identified under the caption "Incidental Expenses" on Exhibit A hereto. All or any portion of the Facilities may be

financed through a financing plan, including, but not limited to, a lease, lease-purchase or installment-purchase arrangement.

- Section 6. Except where funds are otherwise available, a special tax sufficient to pay for all Facilities, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (the "Rate and Method"), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is described in Exhibit B attached hereto, which is by this reference incorporated herein. The conditions under which the obligation to pay the special tax to pay for Facilities may be prepaid and permanently satisfied are specified in the Rate and Method. The special tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the Board of Trustees shall determine, including direct billing of the affected property owners.
- Section 7. The tax year after which no further special tax to pay for Facilities will be levied against any parcel used for private residential purposes is specified in the Rate and Method. Under no circumstances shall the special tax to pay for Facilities in any fiscal year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Community Facilities District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. For purposes of this paragraph, a parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit for private residential use is issued.
- Section 8. Pursuant to Section 53344.1 of the Act, the Board of Trustees hereby reserves to itself the right and authority to allow any interested owner of property within the Community Facilities District, subject to the provisions of said Section 53344.1 and to those conditions as it may impose, and any applicable prepayment penalties as prescribed in the bond indenture or comparable instrument or document, to tender to the Community Facilities District treasurer in full payment or part payment of any installment of the special taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.
- Section 9. The Board of Trustees hereby fixes Tuesday, October 13, 2020, at 6:00 p.m., or as soon thereafter as the Board of Trustees may reach the matter, at 2045 S. San Jacinto Avenue, San Jacinto, California, as the time and place when and where the Board of Trustees will conduct a public hearing on the establishment of the Community Facilities District; provided, that, in the event the October 13, 2020 Board of Trustees meeting is held via teleconference and/or videoconference only, the means by which the public may observe such public hearing and offer public comment shall be prescribed in the notice and agenda for such Board of Trustees meeting.
- Section 10. The Clerk is hereby directed to publish, or cause to be published, a notice of said public hearing one time in a newspaper of general circulation published in the area of the proposed Community

Facilities District. The publication of said notice shall be completed at least seven days prior to the date herein fixed for said hearing. Said notice shall contain the information prescribed by Section 53322 of the Act.

Section 11. The levy of said proposed special tax shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the Community Facilities District, with each owner having one vote for each acre or portion of an acre such owner owns in the Community Facilities District.

Section 12. Each officer of the School District who is or will be responsible for providing one or more of the proposed types of Facilities is hereby directed to study, or cause to be studied, the proposed Community Facilities District and, at or before said public hearing, file a report with the Board of Trustees containing a brief description of the Facilities by type which will in his or her opinion be required to adequately meet the needs of the Community Facilities District, and his or her estimate of the cost of providing the Facilities. Such officers are hereby also directed to estimate the fair and reasonable cost of the incidental expenses proposed to be paid. Such report shall be made a part of the record of said public hearing.

Section 13. The Landowner has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby. The Board of Trustees proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

Section 14. The officers, employees and agents of the School District are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 15. This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** by the Board of Trustees of the San Jacinto Unified School District on September 8, 2020.

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John Norman, President of the Board of Trustees

ATTEST:

\_\_\_\_\_  
Deborah Rex, Clerk of the Board of Trustees

## **EXHIBIT A**

### **FACILITIES AND INCIDENTAL EXPENSES**

#### **Facilities**

The types of facilities to be financed by the Community Facilities District are school facilities, water distribution, treatment and reservoir facilities and sewer collection, conveyance, treatment and disposal facilities, and land, rights-of-way and easements necessary for any of such facilities.

#### **Incidental Expenses**

The incidental expenses proposed to be incurred include the following:

- (a) the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities;
- (b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

**EXHIBIT B**

**PROPOSED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**



**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX OF  
COMMUNITY FACILITIES DISTRICT NO. 2020-1  
OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT**

A Special Tax (as defined herein) shall be levied on and collected from all Assessor's Parcels (as defined herein) within the boundaries of Community Facilities District No. 2020-1 of the San Jacinto Unified School District ("District") each Fiscal Year (as defined herein), commencing in Fiscal Year 2021/2022, in an amount determined by the Board of Trustees of the San Jacinto Unified School District through the application of this Rate and Method of Apportionment of Special Tax as described below. All the real property within the District, 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 meaning(s):

**"Acre" or "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 land area shown on the applicable Final Subdivision Map, parcel map, condominium plan, or other recorded County parcel map that creates the boundaries of each Assessor's Parcel.

**"Act"** means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

**"Administrative Expenses"** means any actual or reasonably estimated costs directly related to the administration of the District, including, but not limited to: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the School District or the District or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the School District or the District of complying with arbitrage rebate requirements; the costs to the School District or the District of complying with School District, District, or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the School District or the District related to the analysis and reduction, if any, of the Special Tax in accordance with Section C.4 herein; the costs of the School District or the District related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account; the School District's administration fees and third party expenses; the costs of School District staff time and reasonable overhead relating to the District; and amounts estimated or advanced by the School District or the District for any other administrative purposes of the District, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

**"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 Special Tax”** means the Special Tax of that name as set forth in Section C.

**“Backup Special Tax”** means the Special Tax of that name as set forth in Section C.

**“Board”** means the Board of Trustees 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 another similar bond issuance document.

**“Bonds”** means any obligation to pay or 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 Tax has been pledged for repayment.

**“Building Permit”** means a permit for the construction of one or more Residential Units issued by the City, or another public agency in the event the City no longer issues permits for the construction of Residential Units within the District. For the purposes of this definition, “Building Permit” shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

**“Building Square Footage”** means the square footage of internal living space of a Residential Unit, exclusive of garages or 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 application for such Residential Unit or other applicable records of the City.

**“City”** means the City of San Jacinto.

**“CFD Administrator”** means an official of the School District, or designees thereof, responsible for determining and providing for the levy and collection of the Special Tax, and performing other duties as set forth herein.

**“CFD No. 2020-1”** means Community Facilities District No. 2020-1 of the San Jacinto Unified School District.

**“Contractual Impositions”** means (a) a voluntary contractual assessment established and levied on an Assessor’s Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 et seq.), as amended from time to time, (b) a special tax established and levied on an Assessor’s Parcel pursuant to Section 53328.1 of the California Government



Code and related provisions of the Act, as amended from time to time, and (c) any other fee, charge, tax or assessment established and levied on an individual Assessor's Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof (e.g. property owner association assessments).

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

**"Developed Property"** means for each Fiscal Year, all Assessor's Parcels of Taxable Property for which Building Permit(s) for one or more Residential Unit(s) were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before May 1 of the prior Fiscal Year, as reasonably determined by the CFD Administrator.

**"District"** means Community Facilities District No. 2020-1 of the San Jacinto Unified School District.

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

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

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

**"Indenture"** means the bond indenture, master trust agreement, fiscal agent agreement, or similar document, regardless of title, pursuant to which Bonds are issued and which establishes the terms and conditions for the payment of such Bonds, as modified, amended and/or supplemented from time to time in accordance with its terms.

**"Land Use Class"** means any of the classes listed in Table 1.

**"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 District in a given Fiscal Year on such Assessor's Parcel.

**"Minimum Sale Price"** means (a) the lowest estimated sales price, as determined by the Price Point Consultant, for any of the Land Use Classes, or (b) in the event that all Residential Units have been sold to homeowners, the lowest actual sales price for any of the Land Use Classes.

**"Minimum Taxable Acreage"** means the applicable Acreage listed in Table 2 and set forth in Section H.

**"Mitigation Agreement"** means that certain agreement entitled "School Facilities Funding and Mitigation Agreement Between and Among San Jacinto Unified School District and D.R. Horton Los Angeles Holding Company, Inc." relating to CFD No. 2020-1.

**"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 F 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 E hereof.

**“Present Value of Taxes”** means for any Assessor's Parcel the sum of (i) the unpaid portion, if any, of the Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the present value of the Special Taxes expected to be levied on such Assessor's Parcel in each of the remaining Fiscal Years, as determined by the CFD Administrator, until the earlier of 35 years after the expected issuance date of the last series of Bonds or the termination date specified in Section G. The discount rate used for this calculation shall be equal to (a) if Bonds have been issued, the Bond Yield, or (b) if Bonds have not been issued, the most recently published Bond Index.

**“Price Point Consultant”** means any consultant or firm of such consultants selected by CFD No. 2020-1 that (a) has substantial experience in performing price point studies for residential units within community facilities districts established under the Act or otherwise estimating or confirming pricing for Residential Units in such community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in such community facilities districts, (c) is in fact independent and not under the control of CFD No. 2020-1 or the School District, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 2020-1, (ii) the School District, (iii) any owner of real property in CFD No 2020-1, or (iv) any real property in CFD No. 2020-1, and (e) is not connected with CFD No. 2020-1 or the School District as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2020-1 or the School District; provided that, if all Residential Units have been sold to homeowners, such consultant or firm of such consultants shall not be required to meet the conditions set forth in clauses (a) and (b), above.

**“Price Point Study”** means a price point study or letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C.4 herein; provided that, if all Residential Units have been sold to homeowners, such price point study shall be based on actual sales data for the sale of all Residential Units to such homeowners, to be provided to the Price Point Consultant by the developer(s) and/or merchant builder(s) that sold such Residential Units to homeowners, together with a certification by such developer(s) and/or merchant builder(s) that such sales data is true and correct.

**“Proportionately”** means that the ratio of the Special Tax levy to the applicable Maximum Special Tax is equal for all applicable Assessor's Parcels.

**“Residential Lot”** means an individual legal lot created by a Final Subdivision Map for which a Building Permit for a Residential Unit has been or could be issued, provided that the land for which one or more Building Permit(s) have been or could be issued for the construction of one or more model units shall not be construed as a Residential Lot until such land has been subdivided by a Final Subdivision Map.

**“Residential 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.

**“RMA”** means this Rate and Method of Apportionment of Special Taxes of the District.

**“School District”** means the San Jacinto Unified 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 by the District pursuant to the Act, the California Constitution, and as described in this RMA.

**“Special Tax Requirement”** means the amount required in any Fiscal Year to pay (i) the annual debt service on all outstanding Bonds in the calendar year commencing in such Fiscal Year, and periodic costs with respect to the Bonds, including but not limited to costs of credit enhancement and federal rebate payment due in the calendar year commencing in such Fiscal Year, (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 school facilities and certain costs associated with the maintenance and operations of school facilities authorized by the District, less any amount(s) on deposit in any fund or account which are available to pay for clauses (i) through (v), above, pursuant to any applicable Indenture in such Calendar Year. In arriving at the Special Tax Requirement, the CFD Administrator shall, without duplicating any amounts described in clause (iv), above, take into account the reasonably anticipated delinquent Special Taxes based on the historical delinquency rate for the Special Tax in the previous Fiscal Year, provided that the amount included cannot cause the 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 which are not Exempt Property.

**“Total Tax Burden”** means, for a Residential Unit within a Land Use Class, for the Fiscal Year in which Total Tax Burden is being calculated, the sum of (a) the Assigned Special Tax for such Land Use Class for such Fiscal Year, plus (b) the *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental fees, charges (other than fees or charges for services such as sewer and trash), taxes, and assessments (which do not include Contractual Impositions) collected by the County on *ad valorem* tax bill and that the CFD Administrator estimates would be levied or imposed on such Residential Unit in such Fiscal Year if the residential dwelling unit thereon or therein has been completed and sold, and was subject to such fees, charges, taxes, and assessments in such Fiscal Year.

**“Trustee”** means the trustee or fiscal agent under the Indenture.

**“Undeveloped Property”** means all Assessor’s Parcels of Taxable Property which are not Developed Property.

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

Each Fiscal Year, commencing with Fiscal Year 2021/2022, 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 or Undeveloped Property. Finally, each Assessor's Parcel of Developed Property will be assigned to a Land Use Class as described in Section C below based on its land use type and Building Square Footage.

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

**1. Maximum Special Tax and Assigned Special Tax for Developed Property**

The Fiscal Year 2021/2022 Maximum Special Tax for each Assessor's Parcel of Developed Property shall be the greater of (i) the Assigned Special Tax or (ii) the Backup Special Tax.

The Fiscal Year 2021/2022 Assigned Special Tax will be determined based on the rates set out in Table 1 below, as applicable.

**Table 1**  
**Assigned Special Tax Rates**  
**Fiscal Year 2021/2022**

<b>Land Use Class</b>	<b>Land Use Type</b>	<b>Building Square Footage</b>	<b>Assigned Special Tax</b>
1	Residential Unit	≤ 2,200	\$1,383 Per Residential Unit
2	Residential Unit	2,201 – 2,400	\$1,466 Per Residential Unit
3	Residential Unit	> 2,400	\$1,516 Per Residential Unit

Each July 1, commencing July 1, 2022, the Assigned Special Tax rates shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

The Backup Special Tax for Developed Property is described in Section C.3 below.

**2. Maximum Special Tax for Undeveloped Property**

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property in each Fiscal Year shall be equal to \$7,746 per Acre. Each July 1, commencing July 1, 2022, the Maximum Special Tax for Undeveloped Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

### 3. Backup Special Tax for Developed Property

The Backup Special Tax in each Fiscal Year for each Assessor's Parcel of Developed Property within a Final Subdivision Map shall be the rate per Residential Lot calculated according to the following formula:

$$B = \frac{ZA}{L}$$

The terms above have the following meanings:

- **B** means the Backup Special Tax for such Fiscal Year.
- **Z** means the Maximum Special Tax rate per Acre of Undeveloped Property for such Fiscal Year.
- **A** means the Acreage of Taxable Property expected to exist in such Final Subdivision Map at the time of calculation, as determined by the Board pursuant to Section H below.
- **L** means number of Residential Lots in the applicable Final Subdivision Map at the time of calculation.

Notwithstanding the foregoing, if the Final Subdivision Map(s) used to calculate the Backup Special Tax is subsequently changed or modified, then the Backup Special Tax for the changed or modified area of the Final Subdivision Map shall be determined based on the following formula:

$$B' = \frac{\sum B}{L}$$

The terms above have the following meanings:

- **B'** means the Backup Special Tax for such Fiscal Year.
- $\sum B$  means the sum of the Backup Special Tax for all Assessor's Parcel within the modified area calculated before the changed or modification.
- **L** means number of Residential Lots in the applicable Final Subdivision Map at the time of calculation.

### 4. Analysis of Special Tax Rates and Total Tax Burden

At least 30 days prior to the issuance of Bonds, the Assigned Special Tax on Developed Property (set forth in Table 1 above) shall be analyzed in accordance with and subject to the conditions set forth in this Section C.4. At a such time, CFD No. 2020-1 shall select and engage a Price Point Consultant and the CFD Administrator shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of Residential Units within each Land Use Class.

If based upon such Price Point Study the CFD Administrator calculates that the Total Tax Burden applicable to Residential Units within one or more Land Use Classes of Residential Units constructed or to be constructed within CFD No. 2020-1 exceeds 2.0% of the Minimum Sale Price of such Residential Units, the Assigned Special Tax shall be reduced to the extent necessary to cause the Total Tax Burden that shall apply to Residential Units within such Land Use Class(es) not to exceed 2.0% of the Minimum Sale Price of such Residential Units.

Each Assigned Special Tax reduction for a Land Use Class shall be calculated by the CFD Administrator separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax, the Backup Special Tax shall also be reduced by the CFD Administrator based on the percentage reduction in Maximum Special Tax revenues within the Final Subdivision Map area(s) where the Assigned Special Tax reductions occurred. Upon determining the reductions, if any, in the Assigned Special Tax and Backup Special Tax required pursuant to this Section C.4, the CFD Administrator shall complete the Certificate of Modification of Special Tax substantially in the form attached here to as Exhibit A (the "Certificate of Modification"), shall execute such completed Certificate of Modifications, and shall deliver such executed Certificate of Modification to CFD No. 2020-1. Upon receipt thereof, if in satisfactory form, CFD No. 2020-1 shall execute such Certificate of Modification. The reduced Assigned Special Tax and Backup Special Tax specified in such Certificate of Modification shall become effective upon the execution of such Certificate of Modification by CFD No. 2020-1.

The Special Tax reduction required pursuant to this section shall be reflected in an amended notice of Special Tax lien, which CFD No. 2020-1 shall cause to be recorded with the County Recorder as soon as practicable after execution of the Certificate of Modification by CFD No. 2020-1.

#### **SECTION D**

##### **METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing Fiscal Year 2021/2022 and for each subsequent Fiscal Year, the Board shall levy the Special Tax on all Taxable Property as follows:

- Step One: The Board shall levy the Special Tax on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Special Tax applicable to such Assessor's Parcel.
- Step Two: If the sum of the amounts to be levied in Step One are insufficient to satisfy the Special Tax Requirement, then the Board shall Proportionately levy the Special Tax on each Assessor's Parcel of Undeveloped Property up to the Maximum Special Tax applicable to such Assessor's Parcel to satisfy the Special Tax Requirement.
- Step Three: If the sum of the amounts to be levied in Step One and Step Two is insufficient to satisfy the Special Tax Requirement, then the Board shall Proportionately increase the Special Tax on each Assessor's Parcel of Developed Property from the Assigned Special Tax up to the Maximum Special Tax applicable to such Assessor's Parcel to satisfy the Special Tax Requirement.

The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

**SECTION E**  
**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, 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 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 CFD Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount. Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Superintendent of the School District or his or her designee, 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.

**2. Special Tax Prepayment Amount**

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

$$P = PVT - PAF$$

The terms above have the following meanings:

- **P** means the Prepayment Amount.
- **PVT** means the Present Value of Taxes.
- **PAF** means the Prepayment Administrative Fees.

The amount representing the Present Value of Taxes attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District to directly fund eligible public facilities pursuant to the Mitigation Agreement, and after the issuance of Bonds be deposited into the applicable account or fund established under the Indenture and used to pay debt service or redeem bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained by the District.

**3. Special Tax Prepayment Procedures and Limitations**

With respect to any Assessor's Parcel for which the Special Tax 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 to pay the Special Tax for such Assessor's Parcel shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of 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 CFD Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

## **SECTION F**

### **PARTIAL PREPAYMENT OF SPECIAL TAXES**

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

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel intending to partially prepay the Special Tax obligation shall provide the District with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the CFD 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 Amount**

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

$$PP = P_E \times F$$

The terms above have the following meanings:

- **PP** means the Partial Prepayment Amount.
- **P<sub>E</sub>** means the Prepayment Amount calculated according to Section E above.
- **F** means the percentage of the Special Tax Obligation which the owner of the Assessor's Parcel intends to prepay.

The amount representing the Present Value of Taxes attributable to the partial prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District to directly fund eligible public facilities pursuant to the Mitigation Agreement, and after the issuance of Bonds be deposited into the applicable account or fund established under the Indenture and used to pay debt service or redeem bonds. The amount representing the Prepayment Administrative Fees attributable to the partial prepayment shall be retained by the District.

#### **3. Partial Prepayment Procedures and Limitations**

With respect to any Assessor's Parcel for which the Special Tax is partially prepaid, the District shall indicate in the records of the District 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 to pay the prepaid portion of the Special Tax for such Assessor's Parcel shall cease. Additionally, the notice shall indicate that the Assigned



Special Tax for the Assessor's Parcel has been reduced by an amount equal to the percentage by which the Special Tax was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of 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 CFD Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

## **SECTION G TERMINATION OF SPECIAL TAX**

The Special Tax shall be levied for a term of 35 years after Bonds are issued or five (5) years after the final maturity of the Bonds; provided that the Special Tax shall not be levied later than Fiscal Year 2062-2063; and provided, further, that the Special Tax that was lawfully levied in or before such Fiscal Year and that remains delinquent may be collected in subsequent years. 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 District to be paid for by the Special Taxes have been acquired or constructed and all reimbursements and remaining obligations have been paid, and (iii) all other obligations of the District under the Mitigation Agreement and any other agreement have been satisfied.

## **SECTION H EXEMPTIONS**

The Board shall classify property 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, (v) Assessor's Parcels which are classified as Commercial/Industrial Property, or (vi) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce 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 continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to the Special Taxes accordingly.

**Table 2  
Minimum Taxable Acreage**

<b>Minimum Taxable Acreage</b>
12.57 Acres

**SECTION I**  
**APPEALS AND INTERPRETATIONS**

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 CFD Administrator to be received by the CFD 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 CFD 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 for the Special Tax 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 and any fee charged to the property owner for the appeal process shall be refunded.

The School District or designee thereof shall interpret this Rate and Method of Apportionment of Special Tax for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the School District or designee shall be final.

**SECTION J**  
**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 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**

**CERTIFICATE OF MODIFICATION OF SPECIAL TAX  
(PAGE 1 OF 2)**

**CFD NO. 2020-1 CERTIFICATE**

1. Pursuant to Section C.4 of the Rate and Method of Apportionment of Special Tax (the “Rate and Method”) for Community Facilities District No. 2020-1 (CFD No. 2020-1) of the San Jacinto Unified School District (“District”), the Assigned Special Tax and the Backup Special Tax for Developed Property within CFD No. 2020-1 has been modified.
  - a. The information in Table 1 relating to the Assigned Special Tax for Developed Property within CFD No. 2020-1, as stated in Section C.1 of the Rate and Method, has been modified as follow:

**Table 1  
Assigned Special Tax Rates**

<b>Land Use Class</b>	<b>Land Use Type</b>	<b>Building Square Footage</b>	<b>Assigned Special Tax</b>
1	Residential Unit	≤ 2,200	\$[     ] Per Residential Unit
2	Residential Unit	2,201 – 2,400	\$[     ] Per Residential Unit
3	Residential Unit	> 2,400	\$[     ] Per Residential Unit

- b. The Backup Special Tax for Developed Property, as stated in Section C.3 of the Rate and Method, shall be modified as follows:

The Backup Special Tax in each Fiscal Year for each Assessor’s Parcel of Developed Property within a Final Subdivision Map shall be the rate per Residential Lot calculated according to the following formula:

$$B = \frac{ZA}{L}$$

The terms above have the following meanings:

- **B** means the Backup Special Tax for such Fiscal Year.
- **Z** means the Maximum Special Tax rate per Acre of Undeveloped Property for such Fiscal Year.
- **A** means the Acreage of Taxable Property expected to exist in such Final Subdivision Map at the time of calculation, as determined by the Board pursuant to Section H below.

EXHIBIT A

CERTIFICATE OF MODIFICATION OF SPECIAL TAX  
(PAGE 2 OF 2)

- **L** means number of Residential Lots in the applicable Final Subdivision Map at the time of calculation.

Notwithstanding the foregoing, if the Final Subdivision Map(s) used to calculate the Backup Special Tax is subsequently changed or modified, then the Backup Special Tax for the changed or modified area of the Final Subdivision Map shall be determined based on the following formula:

$$B' = \frac{\sum B}{L}$$

The terms above have the following meanings:

- **B'** means the Backup Special Tax for such Fiscal Year.
  - $\sum B$  means the sum of the Backup Special Tax for all Assessor's Parcels within the modified area calculated before the changed or modification.
  - **L** means number of Residential Lots in the applicable Final Subdivision Map at the time of calculation.
2. The Special Tax for Developed Property may only be modified prior to the first issuance of Bonds.
  3. Upon execution of this certificate by CFD No. 2020-1, CFD No. 2020-1 shall cause an amended notice of Special Tax lien for CFD No. 2020-1 to be recorded reflecting the modifications set forth herein.

Capitalized undefined terms used herein have the meanings ascribed thereto the Rate and Method. The modifications set forth in this Certificate have been calculated by the CFD Administrator in accordance with the Rate and Method.

CFD ADMINISTRATOR

By: \_\_\_\_\_ Date: \_\_\_\_\_

The undersigned acknowledgement receipt of this Certificate and of modification of the Assigned Special Tax and the Backup Special Tax for Developed Property as set forth in this Certificate.

SAN JACINTO UNIFIED SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2020-1

By: \_\_\_\_\_ Date: \_\_\_\_\_

**CLERK'S CERTIFICATE**

I, Deborah Rex, Clerk of the Board of Trustees of the San Jacinto Unified School District, hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the Board of Trustees of said School District duly held and conducted on September 8, 2020, of which meeting all of the members of said Board of Trustees had due notice and at which a quorum thereof was present and participated (in person or telephonically), and that at said meeting said Resolution was adopted by the following vote:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:

An agenda of the meeting was posted at least 72 hours before the meeting at 2045 South San Jacinto Avenue, San Jacinto, California, a location freely accessible to members of the public, and on the San Jacinto Unified School District's internet website, and a brief general description of said Resolution appeared on said agenda as well as information as to how members of the public could observe and address said meeting.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing Resolution is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: September 8, 2020

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Deborah Rex, Clerk of the Board of Trustees