



► **ADMINISTRATION REPORT  
FISCAL YEAR 2021/2022  
COMMUNITY FACILITIES DISTRICT NO.3  
ADELANTO ELEMENTARY SCHOOL DISTRICT  
JUNE 15, 2021**

**Prepared For:**  
Adelanto Elementary School District  
11824 Air Expressway  
Adelanto, CA 92301  
760.246.8691

**Prepared By:**  
Cooperative Strategies  
2855 Michelle Drive, Suite 230  
Irvine, CA 92606  
844.654.2421



**COOPERATIVE  
STRATEGIES**  
ASSESS • PLAN • FUND • BUILD

## ▶ TABLE OF CONTENTS

| <u>SECTION</u>                                     | <u>PAGE</u> |
|--|-------------|
| <b>INTRODUCTION</b> .....                          | <b>1</b>    |
| <b>I. FISCAL YEAR 2020/2021 LEVY SUMMARY</b> ..... | <b>2</b>    |
| <b>A. SPECIAL TAX LEVY</b> .....                   | <b>2</b>    |
| <b>B. SPECIAL TAX DELINQUENCIES</b> .....          | <b>2</b>    |
| <b>II. SENATE BILL 165 COMPLIANCE</b> .....        | <b>3</b>    |
| <b>A. AUTHORIZED FACILITIES</b> .....              | <b>3</b>    |
| <b>B. CONSTRUCTION/ACQUISITION ACCOUNTS</b> .....  | <b>4</b>    |
| <b>C. SPECIAL TAX FUND</b> .....                   | <b>4</b>    |
| <b>III. ANNUAL SPECIAL TAX REQUIREMENT</b> .....   | <b>5</b>    |
| <b>IV. DEVELOPMENT SUMMARY</b> .....               | <b>6</b>    |
| <b>V. FISCAL YEAR 2021/2022 LEVY SUMMARY</b> ..... | <b>7</b>    |

### EXHIBITS

#### **EXHIBIT A:**

Rate and Method of Apportionment

#### **EXHIBIT B:**

Annual Special Tax Roll for Fiscal Year 2021/2022

# INTRODUCTION

This Administration Report ("Report") provides an analysis of the financial and administrative obligations of Community Facilities District ("CFD") No. 3 of the Adelanto Elementary School District ("School District"), pursuant to the Rate and Method of Apportionment ("RMA") attached as Exhibit A, for the purpose of calculating the Annual Special Tax levy for Fiscal Year 2021/2022. In calculating the Annual Special Tax levy for Fiscal Year 2021/2022, the Report describes (i) the remaining financial obligations of CFD No. 3 for Fiscal Year 2020/2021 and (ii) the financial obligations of CFD No. 3 for Fiscal Year 2021/2022.

The Report is organized into the following sections:

## **SECTION I**

Section I provides a description of the Annual Special Tax levy for Fiscal Year 2020/2021 including any delinquent Annual Special Taxes.

## **SECTION II**

Section II contains a description of the expenditure of Special Taxes to fund Authorized Facilities of CFD No. 3 through April 30, 2021, as directed by Senate Bill 165 ("SB 165").

## **SECTION III**

Section III calculates the Annual Special Tax Requirement based on the financial obligations of CFD No. 3 for Fiscal Year 2021/2022.

## **SECTION IV**

Section IV provides the development status of CFD No. 3.

## **SECTION V**

Section V describes the methodology used to apportion the Annual Special Tax Requirement among the properties within CFD No. 3 and lists the Annual Special Tax rates for Fiscal Year 2021/2022.

# FISCAL YEAR 2020/2021 LEVY SUMMARY

## A. SPECIAL TAX LEVY

The aggregate Annual Special Tax levy of CFD No. 3 in Fiscal Year 2020/2021 as well as a summary of the levy can be found in the table below.

### ANNUAL SPECIAL TAX RATES FOR FISCAL YEAR 2020/2021

| <b>Tax Class</b>            | <b>Building Square Footage</b> | <b>Number of Units/Acres</b> | <b>Annual Special Tax Rate</b> | <b>Total Annual Special Taxes</b> |
|-----------------------------|--------------------------------|------------------------------|--------------------------------|-----------------------------------|
| 1                           | < 2,200                        | 4 Units                      | \$1,713.90 per Unit            | \$6,855.60                        |
| 2                           | 2,200 - 2,400                  | 5 Units                      | \$1,758.40 per Unit            | \$8,792.00                        |
| 3                           | 2,401 - 2,600                  | 0 Units                      | \$1,793.46 per Unit            | \$0.00                            |
| 4                           | 2,601 - 2,800                  | 8 Units                      | \$1,828.52 per Unit            | \$14,628.16                       |
| 5                           | 2,801 - 3,000                  | 7 Units                      | \$1,876.20 per Unit            | \$13,133.40                       |
| 6                           | 3,001 - 3,200                  | 3 Units                      | \$1,948.22 per Unit            | \$5,844.66                        |
| 7                           | 3,201 - 3,400                  | 9 Units                      | \$2,043.98 per Unit            | \$18,395.82                       |
| 8                           | > 3,400                        | 2 Units                      | \$2,163.64 per Unit            | \$4,327.28                        |
| <i>Developed Property</i>   |                                | <i>38 Units</i>              | <i>NA</i>                      | <i>\$71,976.92</i>                |
| <i>Undeveloped Property</i> |                                | <i>44.75 Acres</i>           | <i>\$0.00 per Acre</i>         | <i>\$0.00</i>                     |
| <b>Total</b>                |                                |                              |                                | <b>\$71,976.92</b>                |

## B. SPECIAL TAX DELINQUENCIES

Cooperative Strategies, LLC has received delinquency information for CFD No. 3 for Fiscal Year 2020/2021 from the County of San Bernardino ("County"). For the second installment of Fiscal Year 2020/2021 (as of May 12, 2021), \$914.26 in Annual Special Taxes were delinquent yielding a delinquency rate of 1.27%.

# SENATE BILL 165 COMPLIANCE

The Board of Education ("Board") of the School District, pursuant to the provisions of the Local Agency Special Tax and Bond Accountability Act ("Accountability Act"), has directed the filing of the Special Tax and Bond Accountability Report for CFD No. 3. According to SB 165, any local special tax and/or bond measure subject to voter approval on or after January 1, 2001, must follow the requirements of the Accountability Act. All capitalized terms herein are used as defined in the RMA of CFD No. 3.

## A. AUTHORIZED FACILITIES

Pursuant to the Mello-Roos Community Facilities Act of 1982, as Amended ("Act"), CFD No. 3 can only be used to fund the "Authorized Facilities" as outlined at the time of formation. The following is an excerpt taken from the Resolution of Intention ("ROI") to establish CFD No. 3 which describes the Authorized Facilities.

"Facilities" means those K-8 school sites, school facilities, including classrooms, on-site office space at a school, central support and administrative facilities, interim housing, furniture, equipment, technology, busses, and transportation facilities needed by District in order to serve the student population to be generated as a result of development of the property within the CFD.

"Facilities" shall also include the attributable costs of engineering, design, planning, materials testing, coordination, construction staking, and construction, together with the expenses related to issuance and sale of any "debt", as defined in Section 53317 (d) of the Act, including underwriters' discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond and official statement printing, administrative expenses, of the District, the CFD and the bond trustee or fiscal agent related to the CFD, and any such debt and all other incidental expenses. The Facilities shall be constructed, whether or not acquired in their completed states, pursuant to plans and specifications approved by the District.

**B. CONSTRUCTION/ACQUISITION ACCOUNTS**

As of April 30, 2021, no bonds have been issued for CFD No. 3. Since bonds have not been issued, no construction/acquisition accounts have been established by CFD No. 3.

**C. SPECIAL TAX FUND**

Each Fiscal Year, CFD No. 3 will levy, collect, and expend Annual Special Taxes in an amount necessary to pay interest and principal to bond holders, cover Administrative Expenses and fund school facilities necessary to serve students generated from residential units constructed within the boundaries of CFD No. 3. The table below presents a detailed listing of the Annual Special Taxes collected and expended by CFD No. 3 through April 30, 2021.

**SPECIAL TAX FUND (SPECIAL TAX CUSTODY ACCOUNT)**

|  |                      |                     |
|--|----------------------|---------------------|
| <b>Balance as of Date of Initial Deposit</b> |                      | <b>\$318,579.75</b> |
| <b>Previously Accrued</b>                    | <b>\$136,091.21</b>  |                     |
| <b>Previously Expended</b>                   | <b>(\$15,844.02)</b> |                     |
| <b>Balance as of June 1, 2020</b>            |                      | <b>\$438,826.94</b> |
| <b>Accruals</b>                              |                      | <b>\$71,944.23</b>  |
| Special Tax Receipts                         | \$71,902.80          |                     |
| Investment Earnings                          | \$41.43              |                     |
| <b>Expenditures</b>                          |                      | <b>(\$0.00)</b>     |
| <b>Balance as of April 30, 2021</b>          |                      | <b>\$510,771.17</b> |

# ANNUAL SPECIAL TAX REQUIREMENT

For Fiscal Year 2021/2022, the Annual Special Tax Requirement for CFD No. 3, as calculated pursuant to the RMA, can be found in the table below.

## ANNUAL SPECIAL TAX REQUIREMENT FOR FISCAL YEAR 2021/2022

|  |              |                     |
|--|--------------|---------------------|
| <b>FY 2021/2022 Current Funds</b>  |              | \$151,408.02        |
| Direct Construction of Authorized Facilities / Projected Special Tax Delinquencies | \$151,408.02 |                     |
| <b>Annual Special Tax Requirement</b>  |              | <b>\$151,408.02</b> |

# DEVELOPMENT SUMMARY

Each Fiscal Year, the School District calculates the Annual Special Taxes to be levied against Taxable Property within CFD No. 3. Taxable Property is classified based on the issuance of a Building Permit. Specifically, Developed Property means, for any Fiscal Year, all Assessor’s Parcels in CFD No. 3 for which a Building Permit has been issued as of May 1 of the previous Fiscal Year, provided that the Assessor's Parcel was created prior to January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot. The table below summarizes the Special Tax classification within CFD No. 3 for the previous Fiscal Year and Fiscal Year 2021/2022.

### SPECIAL TAX CLASSIFICATION

| <b>Tax Class</b>            | <b>Building Square Footage</b> | <b>Previous Fiscal Year</b> | <b>Fiscal Year 2021/2022</b> |
|-----------------------------|--------------------------------|-----------------------------|------------------------------|
| 1                           | < 2,200                        | 4 Units                     | 15 Units                     |
| 2                           | 2,200 - 2,400                  | 5 Units                     | 14 Units                     |
| 3                           | 2,401 - 2,600                  | 0 Units                     | 0 Units                      |
| 4                           | 2,601 - 2,800                  | 8 Units                     | 17 Units                     |
| 5                           | 2,801 - 3,000                  | 7 Units                     | 7 Units                      |
| 6                           | 3,001 - 3,200                  | 3 Units                     | 16 Units                     |
| 7                           | 3,201 - 3,400                  | 9 Units                     | 9 Units                      |
| 8                           | > 3,400                        | 2 Units                     | 2 Units                      |
| <i>Developed Property</i>   |                                | <i>38 Units</i>             | <i>80 Units</i>              |
| <i>Undeveloped Property</i> |                                | <i>44.75 Acres</i>          | <i>37.47 Acres</i>           |
| <b>Total</b>                |                                |                             | <b>80 Units</b>              |



# FISCAL YEAR 2021/2022 LEVY SUMMARY

The Special Tax rates of CFD No. 3 needed to meet the Annual Special Tax Requirement for Fiscal Year 2021/2022 are shown in the table below. The Special Tax roll, which lists the actual Special Tax levied against each Assessor's Parcel, is included as Exhibit B. For a more detailed explanation of the methodology used to apportion the Annual Special Tax Requirement among Developed Property and Undeveloped Property, please see the RMA.

## ANNUAL SPECIAL TAX RATES FOR FISCAL YEAR 2021/2022

| <b>Tax Class</b>            | <b>Building Square Footage</b> | <b>Number of Units/Acres</b> | <b>Annual Special Tax Rate</b> | <b>Total Annual Special Taxes</b> |
|-----------------------------|--------------------------------|------------------------------|--------------------------------|-----------------------------------|
| 1                           | < 2,200                        | 15 Units                     | \$1,748.18 per Unit            | \$26,222.70                       |
| 2                           | 2,200 - 2,400                  | 14 Units                     | \$1,793.58 per Unit            | \$25,110.12                       |
| 3                           | 2,401 - 2,600                  | 0 Units                      | \$1,829.34 per Unit            | \$0.00                            |
| 4                           | 2,601 - 2,800                  | 17 Units                     | \$1,865.10 per Unit            | \$31,706.70                       |
| 5                           | 2,801 - 3,000                  | 7 Units                      | \$1,913.72 per Unit            | \$13,396.04                       |
| 6                           | 3,001 - 3,200                  | 16 Units                     | \$1,987.18 per Unit            | \$31,794.88                       |
| 7                           | 3,201 - 3,400                  | 9 Units                      | \$2,084.86 per Unit            | \$18,763.74                       |
| 8                           | > 3,400                        | 2 Units                      | \$2,206.92 per Unit            | \$4,413.84                        |
| <i>Developed Property</i>   |                                | <i>80 Units</i>              | <i>NA</i>                      | <i>\$151,408.02</i>               |
| <i>Undeveloped Property</i> |                                | <i>37.30 Acres</i>           | <i>\$0.00 per Acre</i>         | <i>\$0.00</i>                     |
| <b>Total</b>                |                                |                              |                                | <b>\$151,408.02</b>               |

S:\Clients\Adelanto ESD\SADM\CFDs\CFD No. 3\FY2122\Reports\Annual\_SB165 Report\AdmRpt\_AESD CFDNo.3\_Fn.PDF

**EXHIBIT A**

RATE AND METHOD OF APPORTIONMENT

**RATE AND METHOD OF APPORTIONMENT FOR  
COMMUNITY FACILITIES DISTRICT NO. 3  
OF ADELANTO SCHOOL DISTRICT**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Taxes ("Rate and Method of Apportionment") of Community Facilities District No. 3 ("CFD No. 3") of the Adelanto School District ("School District"). An Annual Special Tax shall be levied on and collected on Taxable Property (defined below) located within the boundaries of CFD No. 3 each Fiscal Year in an amount determined through the application of the Rate and Method of Apportionment, described below. All of the real property in CFD No. 3, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A  
DEFINITIONS**

For purposes of this Rate and Method of Apportionment 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 Board may rely on the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

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

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 3 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the reasonable expenses of collecting delinquencies, the cost associated with the computation of the Backup Annual Special Tax, the administration of Bonds, the pro-rata payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 3, and reasonable costs otherwise incurred in order to carry out the authorized purposes of CFD No. 3.

**"Annual Special Tax"** means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

**"Assessor's Parcel"** means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 3.

**"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.

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

**"Board"** means the Board of Trustees of Adelanto School District, or its designee, in certain cases acting as the Legislative Body of CFD No. 3.

**"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.

**"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 with maturity in 30 years with an average rating equivalent to Moody's A1 and/or S&P's A-plus, as reasonably 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 Certificate or other similar bond issuance document.

**"Building Permit"** means a permit for the construction of one or more Units issued by the City, or another public agency in the event the City no longer issues said permits for the construction of Units within CFD No. 3. For 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"** 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 for such Unit.

**"Calendar Year"** means the period commencing January 1 of any year and ending the following December 31.

**"City"** means the City of Victorville.

**"County"** means San Bernardino County.

**"Developed Property"** means all Assessor's Parcels of Taxable Property for which Building Permits were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the Board.

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

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

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

**"Homeowner"** means any owner of a completed Unit constructed and sold within CFD No. 3.

**"Lot(s)"** means an individual legal lot created by a Final Subdivision Map for which a Building Permit has been or could be issued. Notwithstanding the foregoing, in the case of an individual legal lot created by such a Final Subdivision Map upon which condominium units are entitled to be developed but for which a condominium plan has not been recorded, the number of Lots allocable to such legal lot for purposes of calculating the Backup Special Tax applicable to such Final Subdivision Map shall equal the number of condominium units which are permitted to be constructed on such legal lot as shown on such final Subdivision Map.

**"Maximum Special Tax"** means the maximum Special Tax, determined in accordance with Section C that can be levied by CFD No. 3 in any Fiscal Year on any Assessor's Parcel.

**"Minimum Annual 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 of CFD No. 3, (iii) the costs associated with the release of funds from an escrow account(s) established in association with the Bonds and (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, 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 Minimum Annual Special Tax Requirement the Board shall take into account the reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

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

**"Net Taxable Acreage"** means the total Acreage of all Taxable Property expected to exist in CFD No. 3 after all Final Subdivision Maps are recorded.

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

**"Prepayment Administrative Fees"** means any fees or expenses of the School District or CFD No. 3 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 Annual Special Tax obligation in full for an Assessor's Parcel as described in Section G.

**"Present Value of Taxes"** means for any Assessor's Parcel the present value 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 Annual Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Board, until the termination date specified in Section J. The discount rate used for this calculation shall be equal to the (i) Bond Yield after Bond issuance or (ii) most recently published Bond Index prior to Bond issuance.

**"Proportionately"** means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessors' Parcels.

**"Reserve Fund Credit"** means an amount equal to the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount. In the event that a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is under funded at the time of the prepayment no Reserve Fund Credit shall be given.

**"Special Tax"** means any of the special taxes authorized to be levied by CFD No. 3 pursuant to the Act.

**"Taxable Property"** means all Assessor's Parcels within the boundaries of CFD No. 3 which have not been prepaid pursuant to Section G and, which are not Exempt Property pursuant to Section K.

**"Undeveloped Property"** means all Assessors' Parcels of Taxable Property which are not Developed Property.

**"Unit"** means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

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

For each Fiscal Year, beginning with Fiscal Year 2006-07, each Assessor's Parcel within CFD No. 3 shall be classified as Taxable Property or Exempt Property and, each Assessor's Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property. Developed Property shall be further classified based on the Building Square Footage of the Unit.

## **SECTION C MAXIMUM SPECIAL TAXES**

### **1. Developed Property**

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property for any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Annual Special Tax or (ii) the application of the Backup Annual Special Tax for a given Final Subdivision Map.

**2. Undeveloped Property**

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property for any Fiscal Year shall be the amount determined by the application of the Assigned Annual Special Tax.

**SECTION D  
ASSIGNED ANNUAL SPECIAL TAXES**

**1. Developed Property**

The Assigned Annual Special Tax in Fiscal Year 2006-07 for each Assessor's Parcel of Developed Property shall be the amount determined by reference to Table 1, subject to increase as described below.

**TABLE 1**  
**ASSIGNED ANNUAL SPECIAL TAX FOR  
DEVELOPED PROPERTY  
FISCAL YEAR 2006-07**

| <b>Building Square Feet</b> | <b>Assigned Annual Special Tax</b> |
|-----------------------------|------------------------------------|
| < 2,200                     | \$1,298.90 per Unit                |
| 2,200 – 2,400               | \$1,332.65 per Unit                |
| 2,401 – 2,600               | \$1,359.22 per Unit                |
| 2,601 – 2,800               | \$1,385.80 per Unit                |
| 2,801 – 3,000               | \$1,421.90 per Unit                |
| 3,001 – 3,200               | \$1,476.51 per Unit                |
| 3,201 – 3,400               | \$1,549.07 per Unit                |
| > 3,400                     | \$1,639.78 per Unit                |

For each Fiscal Year, commencing with Fiscal Year 2007-08, the Assigned Annual Special Tax for all Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**2. Undeveloped Property**

The Assigned Annual Special Tax rate in Fiscal Year 2006-07 for an Assessor's Parcel classified as Undeveloped Property shall be \$9,350.77 per acre of Acreage, subject to increase as described below. For each Fiscal Year, commencing with Fiscal Year 2007-08, the Assigned Annual Special Tax per acre of Acreage for all Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION E**  
**BACKUP ANNUAL SPECIAL TAXES**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax. In Fiscal Year 2006-07 or the Fiscal Year in which a Final Subdivision Map is recorded, the Backup Annual Special Tax rate for Developed Property within such Final Subdivision Map shall be the rate per Lot calculated according to the following formula:

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

The terms above have the following meanings:

- B = Backup Annual Special Tax per Lot in the applicable Fiscal Year.
- U = Assigned Annual Special Tax per acre of Acreage for Undeveloped Property in the applicable Fiscal Year.
- A = Acreage of Taxable Property expected to exist in such Final Subdivision Map, as determined by the Board pursuant to Section K.
- L = Lots in the Final Subdivision Map

Each Fiscal Year, commencing the Fiscal Year first following the Fiscal Year in which the preceding calculation is performed for a Final Subdivision Map. The Backup Annual Special Tax rate per Lot within such Final Subdivision Map shall be increased by two percent (2.00%) of the amount in effect as of the prior Fiscal Year.

Notwithstanding the foregoing, if all or any portion of the Final Subdivision Map(s) described in the preceding paragraph is subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property in such Final Subdivision Map that is changed or modified shall be a rate per square foot of Acreage calculated as follows:

1. Determine the total Backup Annual Special Taxes anticipated to apply to the changed or modified area in the Final Subdivision Map prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property which is ultimately expected to exist in such changed or modified area in the Final Subdivision Map, as reasonably determined by the Board.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property in such changed or modified area of the Final Subdivision Map for all remaining Fiscal years in which the Special Tax may be levied.



Each Fiscal Year, commencing the Fiscal Year first following the Fiscal Year in which the preceding calculation is performed, the Backup Annual Special Tax rate per square foot of Acreage calculated in step 3 above 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 2006-07, and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

- Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.
- Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Developed Property up to the Maximum Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.

**SECTION G  
PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor's Parcel of Developed Property; or an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay the Annual Special Tax obligation shall provide CFD No. 3 with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Board shall reasonably determine the Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Prepayment Amount. 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 |

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, 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 Board. Such determination shall include identifying all Assessors' Parcels that are expected to become Exempt Property.

With respect to any Assessor's Parcel that is prepaid, the Board shall indicate in the records of CFD No. 3 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Annual Special Tax shall cease.

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

The Annual Special Tax obligation of an Assessor's Parcel may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid.

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

Prior to the conveyance of the first production Unit on a Lot within a Final Subdivision Map to a Homeowner, the owner of any Assessor's Parcel within such Final Subdivision Map may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor's Parcels within such Final Subdivision Map, as calculated in Section H.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected for all Assessors' Parcels prior to the conveyance of the first production Unit to a Homeowner with respect to such Final Subdivision Map.

### **2. Partial Prepayment Amount**

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

$$PP = P_G \times F$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount
- P<sub>G</sub> = the Prepayment Amount calculated according to Section G
- F = the percent by which the owner of the Assessor's Parcel is partially repaying the Annual Special Tax obligation

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

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 3 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial

release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property 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 Board. Such determination shall include identifying all Assessors' Parcels that are expected to become Exempt Property.

### **SECTION I EXCESS ASSIGNED ANNUAL SPECIAL TAXES**

In any Fiscal Year which the Annual Special Taxes collected from Developed Property, pursuant to Step 1 of Section F, exceeds the Minimum Annual Special Tax Requirement, the School District shall use such amount for acquisition, construction or financing of school facilities in accordance with the Act, CFD No. 3 proceedings and other applicable law as determined by the Board.

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

Annual Special Taxes shall be levied for a period of thirty-three (33) Fiscal Years after the last series of Bonds have been issued, provided that Annual Special Taxes shall not be levied after Fiscal Year 2051-2052.

### **SECTION K EXEMPTIONS**

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iii) Assessor's Parcels owned by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels developed or expected to be developed exclusively for non-residential use, including any use directly servicing any non-residential property, such as parking, as reasonably determined by the Board, and (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 in CFD No. 3 to less than the Minimum Taxable Acreage as shown in Table 2. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property within CFD No. 3 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 within CFD No. 3 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 Special Taxes accordingly.

**TABLE 2**

**MINIMUM TAXABLE ACREAGE**

| <b>Minimum<br/>Taxable Acreage</b> |
|------------------------------------|
| 34.61 acres                        |

**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 Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. 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. A representative(s) of CFD No. 3 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

**SECTION M  
MANNER OF COLLECTION**

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 3 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

**EXHIBIT B**

ANNUAL SPECIAL TAX ROLL  
FISCAL YEAR 2021/2022

**Adelanto Elementary School District**  
**CFD No. 3**  
**Special Tax Levy For Fiscal Year 2021/2022**

| Book | Page | Parcel | Interest | Special Tax |
|------|------|--------|----------|-------------|
| 3135 | 371  | 3      | 0        | \$0.00      |
| 3135 | 391  | 1      | 0        | \$1,793.58  |
| 3135 | 391  | 2      | 0        | \$1,865.10  |
| 3135 | 391  | 3      | 0        | \$1,987.18  |
| 3135 | 391  | 4      | 0        | \$1,793.58  |
| 3135 | 391  | 5      | 0        | \$1,793.58  |
| 3135 | 391  | 6      | 0        | \$1,987.18  |
| 3135 | 391  | 7      | 0        | \$1,793.58  |
| 3135 | 391  | 8      | 0        | \$1,987.18  |
| 3135 | 391  | 9      | 0        | \$1,865.10  |
| 3135 | 391  | 10     | 0        | \$1,748.18  |
| 3135 | 391  | 11     | 0        | \$1,987.18  |
| 3135 | 391  | 12     | 0        | \$1,748.18  |
| 3135 | 391  | 13     | 0        | \$1,793.58  |
| 3135 | 391  | 14     | 0        | \$1,748.18  |
| 3135 | 391  | 15     | 0        | \$1,865.10  |
| 3135 | 391  | 16     | 0        | \$1,748.18  |
| 3135 | 391  | 17     | 0        | \$1,987.18  |
| 3135 | 391  | 18     | 0        | \$1,987.18  |
| 3135 | 391  | 19     | 0        | \$1,748.18  |
| 3135 | 391  | 20     | 0        | \$1,865.10  |
| 3135 | 391  | 21     | 0        | \$1,987.18  |
| 3135 | 391  | 22     | 0        | \$1,865.10  |
| 3135 | 391  | 23     | 0        | \$1,748.18  |
| 3135 | 391  | 24     | 0        | \$1,987.18  |
| 3135 | 391  | 25     | 0        | \$1,793.58  |
| 3135 | 391  | 26     | 0        | \$1,865.10  |
| 3135 | 391  | 27     | 0        | \$1,748.18  |
| 3135 | 391  | 28     | 0        | \$0.00      |
| 3135 | 392  | 1      | 0        | \$1,748.18  |
| 3135 | 392  | 2      | 0        | \$1,987.18  |
| 3135 | 392  | 3      | 0        | \$1,865.10  |
| 3135 | 392  | 4      | 0        | \$1,793.58  |
| 3135 | 392  | 5      | 0        | \$1,987.18  |
| 3135 | 392  | 6      | 0        | \$1,748.18  |
| 3135 | 392  | 7      | 0        | \$1,987.18  |
| 3135 | 392  | 8      | 0        | \$1,748.18  |
| 3135 | 392  | 9      | 0        | \$1,865.10  |
| 3135 | 392  | 10     | 0        | \$1,793.58  |
| 3135 | 392  | 11     | 0        | \$1,987.18  |
| 3135 | 392  | 12     | 0        | \$1,748.18  |
| 3135 | 392  | 13     | 0        | \$1,987.18  |
| 3135 | 392  | 14     | 0        | \$1,793.58  |
| 3135 | 392  | 15     | 0        | \$1,865.10  |
| 3135 | 392  | 16     | 0        | \$1,987.18  |
| 3135 | 392  | 17     | 0        | \$1,748.18  |

**Adelanto Elementary School District**  
**CFD No. 3**  
**Special Tax Levy For Fiscal Year 2021/2022**

| Book | Page | Parcel | Interest | Special Tax |
|------|------|--------|----------|-------------|
| 3135 | 392  | 18     | 0        | \$1,913.72  |
| 3135 | 392  | 19     | 0        | \$1,748.18  |
| 3135 | 392  | 20     | 0        | \$2,084.86  |
| 3135 | 392  | 21     | 0        | \$1,793.58  |
| 3135 | 392  | 22     | 0        | \$2,206.92  |
| 3135 | 392  | 23     | 0        | \$1,793.58  |
| 3135 | 392  | 24     | 0        | \$2,084.86  |
| 3135 | 392  | 25     | 0        | \$1,913.72  |
| 3135 | 392  | 26     | 0        | \$1,987.18  |
| 3135 | 392  | 27     | 0        | \$1,865.10  |
| 3135 | 392  | 28     | 0        | \$1,793.58  |
| 3135 | 392  | 29     | 0        | \$2,084.86  |
| 3135 | 392  | 30     | 0        | \$1,913.72  |
| 3135 | 392  | 31     | 0        | \$2,084.86  |
| 3135 | 392  | 32     | 0        | \$1,748.18  |
| 3135 | 392  | 33     | 0        | \$1,793.58  |
| 3135 | 392  | 34     | 0        | \$1,913.72  |
| 3135 | 392  | 35     | 0        | \$1,865.10  |
| 3135 | 392  | 36     | 0        | \$1,865.10  |
| 3135 | 392  | 37     | 0        | \$1,865.10  |
| 3135 | 392  | 38     | 0        | \$1,748.18  |
| 3135 | 392  | 39     | 0        | \$1,913.72  |
| 3135 | 392  | 40     | 0        | \$2,084.86  |
| 3135 | 392  | 41     | 0        | \$1,793.58  |
| 3135 | 392  | 42     | 0        | \$1,913.72  |
| 3135 | 392  | 43     | 0        | \$2,084.86  |
| 3135 | 392  | 44     | 0        | \$1,913.72  |
| 3135 | 392  | 45     | 0        | \$2,206.92  |
| 3135 | 392  | 46     | 0        | \$1,865.10  |
| 3135 | 392  | 47     | 0        | \$2,084.86  |
| 3135 | 392  | 48     | 0        | \$1,865.10  |
| 3135 | 392  | 49     | 0        | \$2,084.86  |
| 3135 | 392  | 50     | 0        | \$1,865.10  |
| 3135 | 392  | 51     | 0        | \$1,987.18  |
| 3135 | 392  | 52     | 0        | \$1,865.10  |
| 3135 | 392  | 53     | 0        | \$2,084.86  |
| 3135 | 392  | 54     | 0        | \$0.00      |

| <b>Major Conclusions</b>                         |              |
|--|--------------|
| Total Number of Parcels                          | 165          |
| Number of Parcels Taxed                          | 80           |
| Total Special Tax Levy for Fiscal Year 2021/2022 | \$151,408.02 |