

**SUPPLEMENT DATED OCTOBER 3, 2019, TO  
OFFICIAL STATEMENT DATED SEPTEMBER 17, 2019**

**\$25,345,000  
RIO ELEMENTARY SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1  
2019 Special Tax Refunding Bonds  
(Federally Taxable)**

This Supplement, dated October 3, 2019 (this "Supplement"), is to the Official Statement, dated September 17, 2019 (the "Official Statement"), delivered with respect to the above-referenced bonds (the "Bonds"). This Supplement is provided to correct (i) the principal amount of the 3.500% Term Bond (as defined in the Official Statement) as shown on Page 9 to the Official Statement, and (ii) the redemption dates for mandatory redemption from special tax prepayments, as shown on Page 10 to the Official Statement.

(i) The sinking fund redemption schedule for the 3.500% Term Bond maturing September 1, 2039, as shown under "THE 2019 REFUNDING BONDS – Redemption – *Mandatory Sinking Fund Redemption*," is hereby replaced in its entirety with the schedule below:

\$14,745,000 Principal Amount Term Bonds Maturing September 1, 2039

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal Amount</u> <u>Redeemed</u>
2035	\$745,000
2036	3,220,000
2037	3,410,000
2038	3,615,000
2039 (maturity)	3,755,000

(ii) The redemption schedule for redemptions from special tax prepayments, as shown under "THE 2019 REFUNDING BONDS – Redemption – *Mandatory Redemption from Special Tax Prepayments*," is hereby replaced in its entirety with the schedule below:

<u>Redemption Date</u>	<u>Redemption Price</u>
Any Interest Payment Date on or before March 1, 2027	103%
September 1, 2027 and March 1, 2028	102
September 1, 2028, and March 1, 2029	101
September 1, 2029, and thereafter	100

This Supplement does not amend or supplement the Official Statement in any manner other than as expressly described above. This Supplement should only be read in conjunction with the Official Statement.

**END OF SUPPLEMENT**

[THIS PAGE INTENTIONALLY LEFT BLANK]

*In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, under existing statutes, regulations and court decisions, interest on the Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, under existing law, such interest is exempt from State of California personal income taxes. See "LEGAL MATTERS – No Federal Tax Exemption."*

**\$25,345,000**  
**RIO ELEMENTARY SCHOOL DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 1**  
**2019 Special Tax Refunding Bonds**  
**(Federally Taxable)**

**Dated: Date of Delivery**

**Due: September 1, as shown on inside cover**

**Authority for Issuance.** The bonds captioned above (the "2019 Refunding Bonds") are being issued under the Mello-Roos Community Facilities Act of 1982 (the "Act") and a Fiscal Agent Agreement dated as of November 1, 2005, as supplemented by a First Supplemental Fiscal Agent Agreement dated as of November 1, 2013, a Second Supplemental Fiscal Agent Agreement dated as of December 1, 2014, a Third Supplemental Fiscal Agent Agreement dated as of June 1, 2016, and a Fourth Supplemental Fiscal Agent Agreement dated as of September 1, 2019 (collectively, the "Fiscal Agent Agreement"), between the Rio Elementary School District (the "School District"), on behalf of the Rio Elementary School District Community Facilities District No. 1 (the "Community Facilities District") and Zions Bancorporation, National Association, as fiscal agent (the "Fiscal Agent"). See "THE 2019 REFUNDING BONDS – Authority for Issuance."

**Security and Sources of Payment.** The 2019 Refunding Bonds are payable from the net proceeds of Special Taxes (as defined herein) levied on property within the Community Facilities District according to the rate and method of apportionment of special tax approved by the qualified electors of the Community Facilities District and by the Board of the School District. The 2019 Refunding Bonds are secured by a pledge of the proceeds of the Special Taxes, together with certain funds and accounts established under the Fiscal Agent Agreement, on a parity with the Series 2014 Refunding Bonds and the Series 2016 Bonds (defined below). See "SECURITY FOR THE BONDS."

**Parity Bonds.** Pursuant to the proceedings under which the Community Facilities District was formed, the School District is authorized to issue bonds for the Community Facilities District in an aggregate principal amount not to exceed \$75,000,000. Following the issuance of the 2019 Refunding Bonds, the School District will have two other series of bonds outstanding under this authorization: its bonds captioned "\$27,345,000 Rio Elementary School District Community Facilities District No. 1 2014 Special Tax Refunding Bonds" (the "2014 Refunding Bonds"), and its bonds captioned "\$16,275,000 Rio Elementary School District Community Facilities District No. 1 2016 Special Tax Bonds" (the "Series 2016 Bonds"). The School District may in the future issue additional bonds, for the purpose of refunding outstanding Bonds, on a parity with the 2014 Refunding Bonds, the Series 2016 Bonds, and the 2019 Refunding Bonds provided that the conditions set forth in the Fiscal Agent Agreement are met. See "SECURITY FOR THE BONDS – Bonding Capacity" and "SECURITY FOR THE BONDS – Issuance of Additional Bonds for Refunding Purposes Only."

**Use of Proceeds.** The 2019 Refunding Bonds are being issued to (i) defease and refund in full the outstanding maturities of its Rio Elementary School District Community Facilities District No. 1 Special Tax Bonds, Series 2013" (the "Series 2013 Bonds"), (ii) provide a debt service reserve for the 2019 Refunding Bonds through the purchase of a debt service reserve insurance policy, and (iii) pay the costs of issuing the 2019 Refunding Bonds. See "FINANCING PLAN."

**Series 2019 Bond Terms.** Interest on the 2019 Refunding Bonds is payable on March 1, 2020, and semiannually thereafter on each September 1 and March 1. The 2019 Refunding Bonds will be issued in denominations of \$5,000 or integral multiples of \$5,000. The 2019 Refunding Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the 2019 Refunding Bonds. See "THE 2019 REFUNDING BONDS – General Provisions" and "APPENDIX D – DTC and the Book-Entry Only System."

**Redemption.** The 2019 Refunding Bonds are subject to optional redemption, mandatory redemption from Special Tax prepayments, and mandatory sinking fund redemption before maturity. See "THE 2019 REFUNDING BONDS - Redemption."

**THE 2019 REFUNDING BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF ANY OF THE 2019 REFUNDING BONDS, ARE NOT AN INDEBTEDNESS OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE 2019 REFUNDING BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN) OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2019 REFUNDING BONDS. OTHER THAN THE SPECIAL TAXES, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE 2019 REFUNDING BONDS. THE 2019 REFUNDING BONDS ARE NOT A GENERAL OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM THE SPECIAL TAXES AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.**

**Bond Insurance.** The scheduled payment of principal of and interest on the 2019 Refunding Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2019 Refunding Bonds by Build America Mutual Assurance Company ("BAM"). BAM will also issue a reserve fund insurance policy concurrently with the delivery of the 2019 Refunding Bonds to be credited to the Bond Reserve Fund. See "BOND INSURANCE" and "APPENDIX H."



**MATURITY SCHEDULE**  
**(see inside cover)**

***This cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the 2019 Refunding Bonds involves risks which may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the 2019 Refunding Bonds.***

The 2019 Refunding Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel, and subject to certain other conditions. Jones Hall, A Professional Law Corporation, San Francisco, California, has served as disclosure counsel to the School District. Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, has acted as counsel to the Underwriter. It is anticipated that the 2019 Refunding Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about October 9, 2019.

**RAYMOND JAMES**

**MATURITY SCHEDULE**  
(Base CUSIP†: 767027)

**\$4,600,000 Serial Bonds**

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP† No.</u>
2020	\$340,000	2.150%	2.150%	100.000	DH5
2021	260,000	2.200	2.200	100.000	DJ1
2022	290,000	2.200	2.200	100.000	DK8
2023	325,000	2.240	2.240	100.000	DL6
2024	360,000	2.390	2.390	100.000	DM4
2025	395,000	2.560	2.560	100.000	DN2
2026	440,000	2.660	2.660	100.000	DP7
2027	480,000	2.780	2.780	100.000	DQ5
2028	520,000	2.880	2.880	100.000	DR3
2029	570,000	2.980	2.980	100.000	DS1
2030	620,000	3.080	3.080	100.000	DV4

\$3,000,000 – 3.250% Term Bond due September 1, 2034; Yield: 3.450%, Price: 97.683%;  
CUSIP† No. DT9

\$3,000,000 – 3.800% Term Bond due September 1, 2039; Yield: 3.800 %, Price: 100.000%;  
CUSIP† No. DW2

\$14,745,000 – 3.500% Term Bond due September 1, 2039; Yield: 3,800%, Price: 95.835%;  
CUSIP† No. DU6

†CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

## **RIO ELEMENTARY SCHOOL DISTRICT**

### **BOARD OF TRUSTEES**

Joe Esquivel, *President*  
Linda Aguilar, *Clerk*  
Felix Eisenhower, *Trustee*  
Edith Martinez-Cortes, *Trustee*  
Eleanor Torres, *Trustee*

### **DISTRICT ADMINISTRATION**

John D. Puglisi, Ph.D., *Superintendent*  
Wael Saleh, *Assistant Superintendent, Business Services*

---

### **PROFESSIONAL SERVICES**

#### **BOND COUNSEL**

Parker & Covert LLP  
*Sacramento, California*

#### **DISCLOSURE COUNSEL**

Jones Hall, A Professional Law Corporation  
*San Francisco, California*

#### **FINANCIAL ADVISOR**

Isom Advisors, a Division of Urban Futures, Inc.  
*Walnut Creek, California*

#### **SPECIAL TAX CONSULTANT**

DTA, Inc.  
*Newport Beach, California*

#### **DISTRICT CONSULTANT**

Sage Realty Group  
*Westlake Village, California*

#### **VERIFICATION AGENT**

Causey Demgen & Moore P.C.  
*Denver, Colorado*

#### **FISCAL AGENT**

Zions Bancorporation, National Association  
*Los Angeles, California*



# Rio School District (Ventura County, California) Regional Location Map



## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**No Offering May Be Made Except by this Official Statement.** No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2019 Refunding Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

**No Unlawful Offers or Solicitations.** This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

**Effective Date.** This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2019 Refunding Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the School District, the Community Facilities District, any other parties described in this Official Statement, or in the condition of property within the Community Facilities District since the date of this Official Statement.

**Use of this Official Statement.** This Official Statement is submitted in connection with the sale of the 2019 Refunding Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the 2019 Refunding Bonds.

**Preparation of this Official Statement.** The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

**Document References and Summaries.** All references to and summaries of the Fiscal Agent Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

**Stabilization of and Changes to Offering Prices.** The Underwriter may overallocate or take other steps that stabilize or maintain the market prices of the 2019 Refunding Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2019 Refunding Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

**Bond Insurance.** Build America Mutual Assurance Company ("BAM" or the "Bond Insurer") makes no representation regarding the 2019 Refunding Bonds or the advisability of investing in the 2019 Refunding Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer, supplied by the Bond Insurer and presented under the heading "BOND INSURANCE" and on APPENDIX H.

**Exemption from Securities Laws Registration.** The issuance and sale of the 2019 Refunding Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

**Estimates and Projections.** Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

**The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The School District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.**

**School District Internet Site.** The School District maintains an Internet website and certain social media accounts, but the information presented there is not incorporated in this Official Statement.



## TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
INTRODUCTION .....	1	Undeveloped Property .....	47
FINANCING PLAN.....	4	THE DEVELOPMENT .....	48
Refunding Plan .....	4	Development Requirements.....	48
Estimated Sources and Uses of Funds .....	5	Environmental Conditions .....	50
THE 2019 REFUNDING BONDS .....	6	Overall Development Plan and Development	
General Provisions .....	6	Status.....	51
Authority for Issuance .....	7	PROPERTY OWNERSHIP .....	54
Redemption .....	8	General .....	54
Registration, Transfer and Exchange .....	10	Property Ownership and Share of the Special	
DEBT SERVICE SCHEDULE.....	12	Tax Levy .....	54
SECURITY FOR THE BONDS .....	13	BOND OWNERS' RISKS .....	56
Pledge of Net Special Tax Revenues .....	13	Limited Obligation of the School District to	
Limited Obligation.....	13	Pay Debt Service .....	56
Special Taxes .....	14	Levy and Collection of the Special Tax .....	56
Rate and Method .....	14	Property Tax Delinquencies .....	58
Bonding Capacity .....	21	Future Property Development.....	58
Issuance of Additional Bonds for Refunding		Risks Related to Homeowners With High	
Purposes Only.....	21	Loan to Value Ratios .....	59
Foreclosure of Delinquent Parcels .....	23	Limited Number of Taxable Parcels .....	59
Allocation of Special Tax Revenues; Special		Payment of Special Tax is not a Personal	
Tax Fund .....	25	Obligation of the Property Owners.....	59
Interest Fund .....	26	Property Values.....	60
Principal Fund.....	26	Other Possible Claims Upon the Value of	
Bond Reserve Fund.....	27	Taxable Property .....	61
Investment of Moneys in Funds.....	29	Exempt Properties.....	62
BOND INSURANCE .....	29	Depletion of Bond Reserve Fund .....	63
Bond Insurance Policy.....	29	Bankruptcy and Foreclosure Delays .....	63
Build America Mutual Assurance Company ....	29	Disclosure to Future Purchasers.....	64
THE COMMUNITY FACILITIES DISTRICT.....	32	No Acceleration Provisions .....	64
General Description and Location .....	32	Voter Initiatives and State Constitutional	
Community Facilities District Financing Plan...	32	Provisions .....	64
Development Plan Summary .....	33	Risks Relating to Bond Insurance .....	66
Assessed Property Values .....	34	Tax Cuts and Jobs Act .....	66
Assessed Value-to-Debt Ratio .....	37	Secondary Market for Bonds.....	67
Direct and Overlapping Governmental		LEGAL MATTERS .....	67
Obligations .....	39	Legal Opinions .....	67
Estimated Tax Burden .....	41	No Federal Tax Exemption .....	67
Special Tax Collection and Delinquency		No Material Litigation .....	67
Rates .....	43	VERIFICATION OF MATHEMATICAL	
Potential Consequences of Special Tax		ACCURACY .....	68
Delinquencies.....	43	RATINGS .....	68
Special Tax Levy .....	44	CONTINUING DISCLOSURE .....	69
Projected Maximum Special Tax Proceeds		UNDERWRITING.....	70
and Debt Service Coverage .....	46	PROFESSIONAL FEES .....	70

APPENDIX A – Economic and Demographic Information for the City of Oxnard and the County of Ventura
APPENDIX B – Rate and Method of Apportionment of Special Tax
APPENDIX C – Summary of Certain Provisions of the Fiscal Agent Agreement
APPENDIX D – DTC and the Book-Entry Only System
APPENDIX E – Form of Issuer Continuing Disclosure Certificate
APPENDIX F – Form of Opinion of Bond Counsel
APPENDIX G – Community Facilities District Boundary Map
APPENDIX H – Specimen Municipal Bond Insurance Policy



## OFFICIAL STATEMENT

**\$25,345,000**  
**RIO ELEMENTARY SCHOOL DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 1**  
**2019 Special Tax Refunding Bonds**  
**(Federally Taxable)**

### INTRODUCTION

This Official Statement, including the cover page, inside cover page and attached appendices, is provided to furnish information regarding the bonds captioned above (the “**2019 Refunding Bonds**”) to be issued by Rio Elementary School District, also known as Rio School District (the “**School District**”), on behalf of the Rio Elementary School District Community Facilities District No. 1 (the “**Community Facilities District**”).

*This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the 2019 Refunding Bonds to potential investors is made only by means of the entire Official Statement.*

*Capitalized terms used but not defined in this Official Statement have the definitions set forth in the Fiscal Agent Agreement (as defined below).*

**The School District.** The School District covers approximately 15.5 square miles in Ventura County (the “**County**”), including a portion of the City of Oxnard (the “**City**”) and unincorporated County territory. The School District provides K-8 public education to more than 5,300 students in five elementary, one K-8 and two middle schools. For economic and demographic information regarding the area in and around the School District, see APPENDIX A. The administration headquarters of the School District are located at 2500 Vineyard Avenue, Oxnard, California.

**Authority for Issuance of the 2019 Refunding Bonds.** The 2019 Refunding Bonds are issued under the Mello-Roos Community Facilities Act of 1982, as amended (the “**Act**”), certain resolutions adopted by the Board of Trustees of the School District (the “**Board**”) and a Fiscal Agent Agreement dated as of November 1, 2005, as supplemented by a First Supplemental Fiscal Agent Agreement dated as of November 1, 2013, a Second Supplemental Fiscal Agent Agreement dated as of December 1, 2014, a Third Supplemental Fiscal Agent Agreement dated as of June 1, 2016, and a Fourth Supplemental Fiscal Agent Agreement dated as of September 1, 2019 (collectively, the “**Fiscal Agent Agreement**”), between the School District, on behalf of the Community Facilities District, and Zions Bancorporation, National Association, as fiscal agent (the “**Fiscal Agent**”). See “THE 2019 REFUNDING BONDS – Authority for Issuance.”

***The Community Facilities District.*** The Community Facilities District was established by the School District on May 3, 2005, under the Act, following a public hearing and a landowner election at which the qualified electors of the Community Facilities District authorized the Community Facilities District to incur bonded indebtedness and approved the levy of special taxes.

The Community Facilities District was formed in accordance with a School Facilities Mitigation Agreement dated as of October 15, 2002, by and among the School District and RiverPark A, L.L.C. ("**RiverPark A**") and RiverPark B, L.L.C. ("**RiverPark B**") and together with RiverPark A, the "**Original Developers**", as amended and restated in its entirety by a First Amended and Restated School Facilities Mitigation Agreement dated as of August 21, 2014 (the "**Amended and Restated Mitigation Agreement**" and, as amended and restated, the "**Mitigation Agreement**"), by and among the School District, the Original Developers and Riverpark Legacy, LLC ("**Riverpark Legacy**"). See "THE COMMUNITY FACILITIES DISTRICT – Community Facilities District Financing Plan."

The Community Facilities District consists of approximately 660 acres within the City's RiverPark Specific Plan (as amended, the "**RiverPark Specific Plan**"). The property in the Community Facilities District is entitled for the construction of up to 3,043 residential units and up to 1,573,000 square feet of commercial space. See "THE DEVELOPMENT."

***Security and Sources of Payment for the 2019 Refunding Bonds.*** The School District annually levies special taxes on taxable property in the Community Facilities District (the "**Special Taxes**") in accordance with the Rate and Method of Apportionment for the Community Facilities District (the "**Rate and Method**"). See APENDIX B. The 2019 Refunding Bonds are secured by and payable from a pledge of the net proceeds of the Special Taxes, on a parity with the 2014 Refunding Bonds, and the Series 2016 Bonds (each defined below), and by a pledge of certain funds and accounts established under the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS."

The School District has covenanted in the Fiscal Agent Agreement to cause foreclosure proceedings to be commenced and prosecuted against parcels with specified delinquent installments of the Special Tax. For a more detailed description of the foreclosure covenant, see "SECURITY FOR THE BONDS - Foreclosure of Delinquent Parcels."

***Parity Bonds.*** Pursuant to the proceedings under which the Community Facilities District was formed, the School District is authorized to issue bonds for the Community Facilities District in an aggregate principal amount not to exceed \$75,000,000. Following the issuance of the 2019 Refunding Bonds, the School District will have two other series of bonds outstanding under this authorization: its bonds captioned \$27,345,000 Rio Elementary School District Community Facilities District No. 1, 2014 Special Tax Refunding Bonds (the "**2014 Refunding Bonds**"), and its bonds captioned "\$16,275,000 Rio Elementary School District Community Facilities District No. 1 2016 Special Tax Bonds" (the "**Series 2016 Bonds**"). The School District may in the future issue additional refunding bonds on a parity with the 2014 Refunding Bonds, the Series 2016 Bonds and the 2019 Refunding Bonds provided that the conditions set forth in the Fiscal Agent Agreement are met for the purpose of refunding any of the Bonds (as defined herein). The Community Facilities District is not able to issue additional bonds, other than refunding bonds, under the Bond authorization. See "SECURITY FOR THE BONDS – Bonding Capacity" and "SECURITY FOR THE BONDS – Issuance of Additional Bonds for Refunding Purposes Only."

The 2014 Refunding Bonds, the Series 2016 Bonds, the 2019 Refunding Bonds and any future parity bonds are collectively referred to in this Official Statement as the “**Bonds**.”

**Purpose of the 2019 Refunding Bonds.** Proceeds of the 2019 Refunding Bonds will be used primarily to defease and refund in full the outstanding bonds captioned \$28,000,000 Rio Elementary School District Community Facilities District No. 1 Special Tax Bonds, Series 2013” (the “**Series 2013 Bonds**”), issued under the authorization of the Community Facilities District.

Proceeds of the 2019 Refunding Bonds will also be used to provide a debt service reserve for the 2019 Refunding Bonds, which is expected to be satisfied through the purchase of a debt service reserve insurance policy, and pay the costs of issuing the 2019 Refunding Bonds. See “FINANCING PLAN.”

**Property Ownership and Development Status.** The property in the Community Facilities District is virtually completely developed, with 100% of the Fiscal Year 2019-20 Special Tax levy from residential property, which is owned primarily by individual homeowners.

For detailed information about the property ownership, and actual and proposed development of the property in the Community Facilities District, see “PROPERTY OWNERSHIP” and “THE DEVELOPMENT.”

**Assessed Valuation.** The total Fiscal Year 2019-20 Assessed Value of the Taxable Property in the Community Facilities District is \$1,208,603,450. See “THE COMMUNITY FACILITIES DISTRICT – Assessed Property Valuation.”

**Municipal Bond Insurance Policy.** Concurrently with the issuance of the 2019 Refunding Bonds, Build America Mutual Assurance Company (“**BAM**”) will issue its Municipal Bond Insurance Policy for the 2019 Refunding Bonds (the “**Policy**”). The Policy guarantees the scheduled payment of principal of and interest on the 2019 Refunding Bonds when due, as set forth in the form of the Policy included as an appendix to this Official Statement. See “BOND INSURANCE” and APPENDIX H attached hereto.

**Debt Service Reserve.** The District will provide a debt service reserve for the 2019 Refunding Bonds, which is expected to be satisfied through the purchase of a debt service reserve insurance policy (the “Reserve Policy”) to be issued by BAM. See “SECURITY FOR THE BONDS – Bond Reserve Fund.”

**Risk Factors Associated with Purchasing the 2019 Refunding Bonds.** Investment in the 2019 Refunding Bonds involves risks that may not be appropriate for some investors. See “BOND OWNERS’ RISKS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the 2019 Refunding Bonds.

## FINANCING PLAN

### Refunding Plan

A portion of the proceeds of the 2019 Refunding Bonds will be used to refund and legally defease, on an advance basis, the Series 2013 Bonds, which were issued November 7, 2013 in the original principal amount of \$28,000,000 and are currently outstanding in the principal amount of \$22,995,000.

The refinancing plan calls for (i) the payment of the principal and interest on the outstanding Series 2013 Bonds maturing on September 1, 2020 through and including September 1, 2023, as the same becomes due and payable, and (ii) the outstanding Series 2013 Bonds maturing on and after September 1, 2024 to be redeemed in full, on an advance basis, on September 1, 2023, at a redemption price equal to the principal amount thereof, together with accrued interest to the redemption date, without premium.

A portion of the proceeds of the 2019 Refunding Bonds, together with certain other funds on hand with respect to the Series 2013 Bonds, will be transferred to Zions Bancorporation, National Association, acting as escrow agent (the “**Escrow Agent**”) for the Series 2013 Bonds under an Escrow Agreement dated as of September 1, 2019 (the “**Escrow Agreement**”), by and between the School District and the Escrow Agent.

The Escrow Agent will invest certain amounts on deposit under the Escrow Agreement in direct noncallable United States Treasury obligations and/or open market securities, and hold the remainder in cash, uninvested. These funds will be verified as sufficient to pay and redeem the Series 2013 Bonds as described above. As a result of the deposit and application of funds on deposit under the Escrow Agreement, and assuming the accuracy of the Verification Agent’s and Underwriter’s calculations, the 2013 Bonds will be defeased, and all obligations of the School District and Community Facilities District in connection therewith will terminate. See “VERIFICATION OF MATHEMATICAL ACCURACY.”

*The moneys held by the Escrow Agent under the Escrow Agreement are pledged to the payment of the Series 2013 Bonds and are not available to pay debt service on the 2019 Refunding Bonds or any other Bonds.*

## Estimated Sources and Uses of Funds

The estimated sources and uses of funds with respect to the 2019 Refunding Bonds are as follows:

### SOURCES

Principal Amount of 2019 Refunding Bonds	\$25,345,000.00
Less: Original Issue Discount	(683,639.25)
Plus: Funds relating to Series 2013 Bonds [1]	<u>2,411,003.34</u>
Total Sources	\$27,072,364.09

### USES

Escrow Fund [2]	\$26,280,001.23
Costs of Issuance [3]	<u>792,362.86</u>
Total Uses	\$27,072,364.09

- 
- [1] Represents funds from the reserve fund and support facility fund for the 2013 Bonds.  
[2] To be used to refund and defease the Series 2013 Bonds. See “— Refunding Plan” above.  
[3] Includes, among other things, the fees and expenses of Bond Counsel and Disclosure Counsel, bond insurance and debt service reserve insurance policy premium, the cost of printing the Preliminary and final Official Statements, fees and expenses of the Fiscal Agent and Escrow Agent, and the fees of the Financial Advisor and the Special Tax Consultant and Underwriter’s discount.

## THE 2019 REFUNDING BONDS

*This section generally describes the terms of the 2019 Refunding Bonds contained in the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX C. Capitalized terms used but not defined in this section are defined in APPENDIX C.*

### General Provisions

**Maturity and Denominations.** The 2019 Refunding Bonds will mature on September 1, in the years and in the amounts set forth on the inside cover page of this Official Statement. The 2019 Refunding Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple of \$5,000.

**Interest.** The 2019 Refunding Bonds will be dated their date of delivery and will bear interest at the annual rates set forth on the inside cover page of this Official Statement, payable semiannually on each September 1 and March 1, commencing March 1, 2020 (each, an “**Interest Payment Date**”). Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months.

**Method of Payment.** The principal or Redemption Price of the 2019 Refunding Bonds shall be payable to the Owner thereof upon surrender thereof in lawful money of the United States of America at the corporate trust office of the Fiscal Agent in Los Angeles, California. Interest on the 2019 Refunding Bonds shall be payable by check mailed or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of the 2019 Refunding Bonds who has provided the Fiscal Agent with wire transfer instructions at least five days before the applicable Regular Record Date, by wire transfer on each Interest Payment Date to the Owner thereof as of the close of business on the Regular Record Date.

*As long as Cede & Co. is the registered owner of the 2019 Refunding Bonds, as described below, payments of the principal of, premium, if any, and interest on the 2019 Refunding Bonds will be made directly to DTC, or its nominee, Cede & Co.*

**Record Date.** The Regular Record Date for the 2019 Refunding Bonds is defined in the Fiscal Agent Agreement as the 15th day of the calendar month immediately preceding the relevant Interest Payment Date.

**DTC and Book-Entry Only System.** DTC will act as securities depository for the 2019 Refunding Bonds. The 2019 Refunding Bonds will be issued as fully-registered securities registered initially in the name of Cede & Co. (DTC’s partnership nominee). Ultimate purchasers of 2019 Refunding Bonds will not receive physical certificates representing their interest in the 2019 Refunding Bonds. So long as the 2019 Refunding Bonds are registered in the name of Cede & Co., as nominee of DTC, references in this Official Statement to the “Owners” mean Cede & Co., and not the purchasers or Beneficial Owners (as defined in Appendix D) of the 2019 Refunding Bonds. See APPENDIX D.

## Authority for Issuance

***Community Facilities District Proceedings.*** As required by the Act, the Board of the School District has taken the following actions with respect to establishing the Community Facilities District and authorizing issuance of the 2019 Refunding Bonds:

*Resolutions of Intention:* On March 1, 2005, the Board adopted Resolution No. 0405-23 stating its intention to establish the Community Facilities District, authorize the levy of a special tax therein and incur bonded indebtedness in an amount not to exceed \$75,000,000 in the aggregate within the Community Facilities District for the purpose of financing authorized public. See "THE COMMUNITY FACILITIES DISTRICT – Community Facilities District Financing Plan."

*Resolution of Formation:* On May 3, 2005, immediately following a noticed public hearing, the Board adopted Resolution No. 0405-25 which established the Community Facilities District, authorized the levy of a special tax within the Community Facilities District, called an election by the landowners within the Community Facilities District for the same date on the issues of the levy of the Special Tax, the incurring of bonded indebtedness and the establishment of an appropriations limit.

*Landowner Election and Declaration of Results:* On May 17, 2005, an election was held within the Community Facilities District in which the then qualified electors of the Community Facilities District approved a ballot proposition authorizing the issuance of up to \$75,000,000 in bonds to finance the acquisition and construction of the Facilities (as defined herein), the levy of a special tax and the establishment of an appropriations limit for the Community Facilities District. On the same date, the Board adopted Resolution No. 0405-31 pursuant to which the Board of Education approved the canvass of the votes and declared the Community Facilities District to be fully formed with the authority to levy the Special Taxes, to incur the bonded indebtedness and to have the established appropriations limit.

*Ordinance Levying Special Taxes:* On May 17, 2005, the Board adopted an ordinance levying the Special Tax within the Communities Facilities District beginning with the 2005-06 fiscal year.

*Special Tax Lien and Levy:* A Notice of Special Tax Lien was recorded in the real property records of Ventura County on June 21, 2005.

*Resolution Authorizing Issuance of the Series 2005 Bonds:* On September 15, 2005, the Board adopted Resolution 0506-03 approving issuance of the bonds captioned "\$30,725,000 Rio Elementary School District Community Facilities District No. 1 Special Tax Bonds, Series 2005" (the "**Series 2005 Bonds**"). The Series 2005 Bonds were refunded and defeased in full with proceeds of the 2014 Refunding Bonds.

*Resolution Authorizing Issuance of the Series 2013 Bonds:* On September 18, 2013, the Board adopted Resolution No. 1314-02 approving issuance of the Series 2013 Bonds.

*Resolution Authorizing Issuance of the 2014 Refunding Bonds.* On November 19, 2014, the Board adopted Resolution No. 1415/07 approving issuance of the 2014 Refunding Bonds in an amount not to exceed \$32,000,000.



*Resolution Authorizing Issuance of the Series 2016 Bonds.* On May 11, 2016, the Board adopted Resolution No. 1516/31 approving issuance of the Series 2016 Bonds in an amount not to exceed \$16,275,000.

*Resolution Authorizing Issuance of the 2019 Refunding Bonds.* On August 21, 2019, the Board adopted Resolution No. 1920/07 approving issuance of the 2019 Refunding Bonds in an amount not to exceed \$27,500,000.

***School District's Goals and Policies.*** As required by the Act, the School District adopted "Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act of 1982" (the "**Goals and Policies**") on March 1, 2005. The Goals and Policies establish an order of priority for financing by community facilities districts and other requirements for Mello-Roos financings. The School District has determined that issuance of the 2019 Refunding Bonds conforms with the School District's Goals and Policies.

## **Redemption**

***Optional Redemption from Sources Other than Special Tax Prepayments.*** The 2019 Refunding Bonds maturing on or after September 1, 2030, are subject to redemption prior to their respective stated maturities, at the option of the School District, from any source of available funds, as a whole or in part (by such maturities as may be specified by the School District and by lot within a maturity) on any date on or after September 1, 2029, at a redemption price equal to the principal amount of the 2019 Refunding Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

***Mandatory Sinking Fund Redemption.*** The 2019 Refunding Bonds maturing on September 1, 2034 and September 1, 2039 (collectively, the "**Term Bonds**"), are subject to redemption prior to their stated maturity in part, at random, from Mandatory Sinking Account Payments in the following amounts and on the following dates, respectively, at a redemption price equal to the principal amount thereof on the date fixed for redemption, plus accrued interest to the date fixed for redemption, respectively, without premium, but the principal amounts of which will be proportionately reduced by the principal amount of the respective Term Bonds optionally redeemed:

\$3,000,000 Principal Amount Term Bonds Maturing September 1, 2034

Redemption Date (September 1)	Principal Amount Redeemed
2031	\$665,000
2032	720,000
2033	780,000
2034 (maturity)	835,000

**\$3,000,000 Principal Amount Term Bonds Maturing September 1, 2039**

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal Amount</u> <u>Redeemed</u>
2035	\$155,000
2036	655,000
2037	695,000
2038	735,000
2039 (maturity)	760,000

**\$14,475,000 Principal Amount Term Bonds Maturing September 1, 2039**

<u>Redemption Date</u> <u>(September 1)</u>	<u>Principal Amount</u> <u>Redeemed</u>
2035	\$745,000
2036	3,220,000
2037	3,410,000
2038	3,615,000
2039 (maturity)	3,755,000

***Mandatory Redemption from Special Tax Prepayments.*** The 2019 Refunding Bonds are subject to redemption by the School District prior to their respective stated maturities, as a whole or in part, on any Interest Payment Date from prepayments of the Special Taxes, at the following redemption prices (expressed as a percentage of the principal amount of 2019 Refunding Bonds called for redemption), together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
Any Interest Payment Date on or after March 1, 2027	103%
September 1, 2027 and March 1, 2028	102
September 1, 2028, and March 1, 2029	101
September 1, 2029, and thereafter	100

***Notice of Redemption.*** The Fiscal Agent will mail notice of redemption not fewer than 30 days nor more than 60 days prior to the redemption date to the respective Owners of any 2019 Refunding Bonds designated for redemption at their addresses appearing on its bond register for the 2019 Refunding Bonds. If a Series of Bonds is not then registered solely to a Securities Depository, the Fiscal Agent shall also give notice of redemption of 2019 Refunding Bonds to the Securities Depositories and the Information Service (at the same time it mails notice of redemption to the Owners) by registered or overnight mail, or by such other method as may be acceptable to such institutions.

*However, while the 2019 Refunding Bonds are subject to DTC's book-entry system, the Fiscal Agent will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the School District and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the Beneficial Owners of the 2019 Refunding Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any 2019 Refunding Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity*

*of the notice of redemption, or alter the effect of redemption set forth in the Fiscal Agent Agreement.*

**Defects in Notice or Procedure.** Failure by the Fiscal Agent to give notice to the Information Service or the Securities Depository, or failure of any Owner to receive notice or any defect in any such notice, will not affect the sufficiency of the proceedings for redemption. A certificate by the Fiscal Agent that notice of redemption has been given as provided in the Fiscal Agent Agreement will be conclusive as against all parties to whom such notice was given, and no such party will be entitled to show that he or she failed to receive notice of redemption.

Failure by the Fiscal Agent to mail notice to any one or more of the respective Owners of any Bonds designated for redemption will not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed.

**Rescission of Optional Redemption.** The School District may, at its option, prior to the date fixed for optional redemption of the 2019 Refunding Bonds, rescind and cancel the notice of redemption, consistent with the provisions of the Fiscal Agent Agreement regarding redemption notices.

**Selection of 2019 Refunding Bonds for Redemption in Part.** If less than all the Outstanding 2019 Refunding Bonds of any maturity are to be redeemed, not more than 45 days prior to the redemption date the Fiscal Agent will select the particular 2019 Refunding Bonds to be redeemed from the Outstanding Bonds of such maturity that have not previously been called for redemption, in minimum denominations of \$5,000, at random in any manner that the Fiscal Agent in its sole discretion deems appropriate and fair.

**Effect of Redemption.** If notice of redemption has been given as provided in the Fiscal Agent Agreement and if moneys for the payment of the redemption price of the 2019 Refunding Bonds to be redeemed plus interest accrued thereon to the date of redemption are held by the Fiscal Agent, on the designated redemption date (i) the 2019 Refunding Bonds to be redeemed will become due and payable at the redemption price plus accrued interest thereon to the designated date of redemption, (ii) interest on such 2019 Refunding Bonds will cease to accrue, (iii) such 2019 Refunding Bonds will cease to be entitled to any benefit or security under the Fiscal Agent Agreement and (iv) the Owners of such 2019 Refunding Bonds will have no rights in respect thereof except to receive payment of such redemption price plus accrued interest thereon to the date of redemption.

Upon surrender of any such Series 2019 Bond for redemption in accordance with the redemption notice, such Series 2019 Bond will be paid by the Fiscal Agent at the Redemption Price on each Interest Payment Date or date of redemption. Installments of interest due on or prior to the Redemption Date will be payable on each Interest Payment Date or date of redemption to the Owners of the Bonds on the relevant Record Dates according to the terms of such Bonds and the Fiscal Agent Agreement.

## **Registration, Transfer and Exchange**

*The following provisions regarding the exchange and transfer of the 2019 Refunding Bonds apply only during any period in which the 2019 Refunding Bonds are not subject to DTC's book-entry system. While the 2019 Refunding Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See APPENDIX D.*

The Fiscal Agent will keep or cause to be kept, at its Corporate Trust Office, a register (the **"Bond Register"**) in which, subject to such reasonable regulations as it may prescribe, the Fiscal Agent shall provide for the registration and transfer of the 2019 Refunding Bonds. The Bond Register will at all times be open to inspection by the School District during regular business hours. Upon presentation for this purpose, the Fiscal Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, the ownership of the 2019 Refunding Bonds on the Bond Register.

Any Series 2019 Bond may be transferred upon the Bond Register, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent, and otherwise subject to the reasonable regulations of the Fiscal Agent. 2019 Refunding Bonds may be exchanged at the Principal Office of the Fiscal Agent for an equivalent aggregate principal amount of 2019 Refunding Bonds of authorized denominations and of the same tenor and maturity, upon surrender thereof.

No service charge shall be made for any transfer or exchange of Bonds, but the Fiscal Agent will collect from the Owner requesting such transfer or exchange any tax or other governmental charge required to be paid with respect to such transfer or exchange.

Whenever any 2019 Refunding Bonds are surrendered for transfer or exchange, the School District will execute (and the Fiscal Agent will authenticate and deliver) new 2019 Refunding Bonds of the same tenor and maturity and of an equivalent aggregate principal amount.

No transfers or exchanges of 2019 Refunding Bonds will be required to be made during the period established by the Fiscal Agent for the selection of 2019 Refunding Bonds for redemption or any Series 2019 Bond that has been selected for redemption in whole or in part (except the unredeemed portion of such Series 2019 Bond selected for redemption in part), from and after the date that such Series 2019 Bond has been selected for redemption.

## DEBT SERVICE SCHEDULE <sup>[1]</sup>

The following table presents the annual debt service on the 2014 Refunding Bonds, the Series 2016 Bonds and the 2019 Refunding Bonds (including sinking fund redemptions), assuming there are no early redemptions.

Year Ending September 1	2014 Refunding Debt Service	Series 2016 Debt Service	Series 2019 Principal	Series 2019 Interest	Total Series 2019 Debt Service	Total Debt Service
2020	\$1,997,487.50	\$1,172,850.00	\$340,000.00	\$759,461.15	\$1,099,461.15	\$4,269,798.65
2021	2,033,237.50	1,199,450.00	260,000.00	841,777.00	1,101,777.00	4,334,464.50
2022	2,080,237.50	1,224,250.00	290,000.00	836,057.00	1,126,057.00	4,430,544.50
2023	2,117,737.50	1,247,250.00	325,000.00	829,677.00	1,154,677.00	4,519,664.50
2024	2,160,987.50	1,272,500.00	360,000.00	822,397.00	1,182,397.00	4,615,884.50
2025	2,204,487.50	1,300,000.00	395,000.00	813,793.00	1,208,793.00	4,713,280.50
2026	2,247,987.50	1,319,500.00	440,000.00	803,681.00	1,243,681.00	4,811,168.50
2027	2,289,600.00	1,351,250.00	480,000.00	791,977.00	1,271,977.00	4,912,827.00
2028	2,338,600.00	1,379,500.00	520,000.00	778,633.00	1,298,633.00	5,016,733.00
2029	2,386,600.00	1,404,250.00	570,000.00	763,657.00	1,333,657.00	5,124,507.00
2030	2,433,350.00	1,425,500.00	620,000.00	746,671.00	1,366,671.00	5,225,521.00
2031	2,483,600.00	1,458,250.00	665,000.00	727,575.00	1,392,575.00	5,334,425.00
2032	2,531,850.00	1,491,750.00	720,000.00	705,962.50	1,425,962.50	5,449,562.50
2033	2,577,850.00	1,520,750.00	780,000.00	682,562.50	1,462,562.50	5,561,162.50
2034	2,636,350.00	1,545,250.00	835,000.00	657,212.50	1,492,212.50	5,673,812.50
2035	2,686,350.00	1,580,250.00	900,000.00	630,075.00	1,530,075.00	5,796,675.00
2036	--	--	3,875,000.00	598,110.00	4,473,110.00	4,473,110.00
2037	--	--	4,105,000.00	460,520.00	4,565,520.00	4,565,520.00
2038	--	--	4,350,000.00	314,760.00	4,664,760.00	4,664,760.00
2039	--	--	4,515,000.00	160,305.00	4,675,305.00	4,675,305.00
Total:	\$37,206,312.50	\$21,892,550.00	\$25,345,000.00	\$13,724,863.65	\$39,069,863.65	\$98,168,726.15

[1] Reflects the refunding of the Series 2013 Bonds.

If the School District was to levy Special Taxes on Developed Property at less than the Assigned Annual Special Tax, pursuant to Section 53321 of the Act and resolutions adopted by the School District, under no circumstances may the Special Tax levied against any parcel used for private residential purposes be increased as a consequence of the delinquency or default by the owner of any other parcel or parcels by more than 10%. For such purposes, a parcel will be considered used for private residential purposes not later than the date on which an occupancy permit for private residential use is issued. However, subject to the limitations on the School District's ability to levy the necessary amount of Special Taxes as imposed by Section 53321(d) of the Government Code, the School District can levy Special Taxes on Undeveloped Property to make up all or a portion of any shortfall in the Special Tax levy.

## SECURITY FOR THE BONDS

*This section generally describes the security for the 2014 Refunding Bonds, the Series 2016 Bonds, the 2019 Refunding Bonds and any Additional Bonds under the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX C. Capitalized terms used but not defined in the section are defined in APPENDIX C.*

### **Pledge of Net Special Tax Revenues**

Pursuant to the Fiscal Agent Agreement, the principal of and interest and any redemption premium on the Bonds are secured by a pledge of and first lien on all of the Net Special Tax Revenues, any prepaid Special Taxes, and all amounts (including proceeds of the Bonds) held by the Fiscal Agent in the Special Tax Fund, Principal Fund, Interest Fund, and the Bond Reserve Fund, subject only to the provisions of the Fiscal Agent Agreement permitting the application thereof for other purposes as provided further therein.

These assets are pledged to the payment of Bonds without priority or distinction of one over the other, and constitute a trust fund for the security and payment of the interest on and principal of the Bonds. This pledge is irrevocable until all of the Bonds are no longer Outstanding.

The term “**Net Special Tax Revenues**” is defined in the Fiscal Agent Agreement to mean the proceeds of the Special Taxes received by the School District, including any scheduled payments, interest and penalties thereon (excluding prepayments of Special Taxes) and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes in the amount of said lien and interest and penalties thereon, less Administrative Expenses.

The amount of Special Taxes required to pay Administrative Expenses is *not* pledged to the repayment of the Bonds. The term “**Administrative Expenses**” is defined in the Fiscal Agent Agreement to mean all expenses paid or incurred by the School District as administrator of the Community Facilities District to determine, levy, and collect the Special Taxes, including the expenses of collecting delinquencies; the administration of Bonds; the fees of consultants, legal counsel, paying agents, fiscal agents; the costs of collecting installments of the Special Taxes upon the general tax rolls; the cost of arbitrage calculation and arbitrage rebates; the cost of preparation of required reports; and any other costs reasonably required to administer the Community Facilities District as determined by the School District, up to a maximum of \$98,960.91 in Fiscal Year 2019-20 (subject to an annual inflation adjustment of 2.00% per Fiscal Year).

### **Limited Obligation**

The School District is not required to advance any moneys derived from any source other than the Net Special Tax Revenues, any prepaid Special Taxes, and other assets pledged under the Fiscal Agent Agreement for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of the Fiscal Agent Agreement. Neither the faith and credit of the School District, the Community Facilities District or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

## Special Taxes

***Levy and Collection of Special Taxes.*** The School District has agreed in the Fiscal Agent Agreement that, so long as any of the Bonds are Outstanding, and subject to the maximum rates of Special Taxes that it is authorized to levy on Taxable Property, it will annually levy and make provision for the collection of the Special Taxes in amounts that will be sufficient, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the Fiscal Agent Agreement, and that in any event will be sufficient for the following:

- to pay the interest on and principal of and Mandatory Sinking Account Payments for and redemption premiums, if any, and to accumulate funds to pay future debt service on the Bonds as they become due and payable;
- to replenish the Bond Reserve Fund to the Bond Reserve Requirement; and
- to pay all current Administrative Expenses as they become due and payable in accordance with the Fiscal Agent Agreement.

The School District has also agreed in the Fiscal Agent Agreement to have the Special Taxes collected in the same manner as ordinary ad valorem property taxes are collected and, except as otherwise provided in the School District's covenant to foreclose (see "- Foreclosure of Delinquent Parcels," below) and the Act, the Special Taxes are subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem property taxes.

In addition, the School District has agreed in the Fiscal Agent Agreement not to consent to or conduct proceedings with respect to a reduction in the Special Taxes that may be levied in the Community Facilities District below an amount, for any Fiscal Year, equal to 110% of the aggregate of the debt service due and payable with respect to the Bonds in such Fiscal Year, plus 100% of the School District's reasonable estimate of Administrative Expenses for such Fiscal Year; provided, however, that the School District may at any time reduce the Special Taxes to the extent that the amount of Special Taxes that would result from levying the Special Taxes at such maximum amounts would result in an amount of Special Taxes in excess of the amount required.

***Duration of Special Tax Levy.*** The Special Taxes have been levied against Taxable Property in the Community Facilities District beginning with Fiscal Year 2005-06. The Rate and Method provides that Special Taxes will not be levied and collected after Fiscal Year 2046-47.

*The Special Tax levy is limited to the maximum Special Tax rates set forth in the Rate and Method. Accordingly, no assurance can be given that, in the event of Special Tax delinquencies, the receipts of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay debt service on the Bonds.*

## Rate and Method

***General.*** The Special Tax is levied and collected according to the Rate and Method, which provides the methodology by which the Board may annually determine the amount of the Special Tax that will need to be collected each fiscal year from the taxable property within the Community Facilities District and to levy the Special Taxes within the Community Facilities District, up to the Maximum Special Tax.



The following is a synopsis of the provisions of the Rate and Method, which should be read in conjunction with the complete text of the Rate and Method, including its attachments, which is attached as APPENDIX B. The meaning of the capitalized terms used in this section are as set forth in APPENDIX B.

*This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the entire Rate and Method attached as APPENDIX B.*

**Minimum Annual Special Tax Requirement.** Annually, at the time of levying the Special Tax for the Community Facilities District, the Board will determine the minimum amount of money to be levied on Taxable Property in the Community Facilities District (the “**Minimum Annual Special Tax Requirement**”), which means the amount in any Fiscal Year equal to the sum of:

- (i) 110% of the debt service on all outstanding Bonds,
  - (ii) the periodic costs of the Bonds, including but not limited to, credit enhancement costs and rebate payments on the Bonds,
  - (iii) the Administrative Expenses of the Community Facilities District,
  - (iv) the costs associated with the release of funds from an escrow account established in association with the Bonds,
  - (v) any amount required to establish or replenish any reserve funds (or account thereof) established in association with the Bonds, and
  - (vi) an amount equal to the reasonably anticipated delinquent Special Taxes, based on the delinquency rate for Special Taxes in the prior Fiscal Year,
- less*
- (vii) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

**Annual Determination of Property Categories for Administration of Special Tax.** Each Fiscal Year,

- (i) each Assessor's Parcel will be assigned to a Zone within the Community Facilities District, as set forth in Exhibits A and B of the Rate and Method;
- (ii) each Assessor's Parcel will be classified as Exempt Property or Taxable Property;
- (iii) each Assessor's Parcel of Taxable Property will be classified as Developed Property or Undeveloped Property; and
- (iv) each Assessor's Parcel of Developed Property will be classified as Residential Property or Non-Residential Property.

Residential Property will be further classified based upon unit type (i.e., Attached Unit, Detached Unit, Very Low Affordable Unit, Affordable Unit, High Density Unit A, High Density Unit D/F) and each Attached Unit and Detached Unit shall be classified by the Building Square Footage of such Unit. The classification of Exempt Property will take into consideration the Minimum Taxable Acreage of each Zone.

“Zone” generally means a geographic subdivision of the Community Facilities District, which has been subdivided into three Zones (Zone 1, Zone 2 and Zone 3), as set forth in Exhibit A of the Rate and Method.

“*Exempt Property*” means all parcels within the Community Facilities District that are exempt from the levy of Special Taxes, as described further below under the subheading “-Exemptions.”

“*Taxable Property*” means Assessor’s Parcels within the Community Facilities District that are not classified as Exempt Property.

“*Developed Property*” means all Assessor’s Parcels in the Community Facilities District for which building permits for new construction were issued on or before January 1 of the prior Fiscal Year. Developed Property consists of either Residential Property or Non-Residential Property.

“*Undeveloped Property*” generally means all Assessor’s Parcels in the Community Facilities District which are not classified as Developed Property.

“*Residential Property*” generally means all Assessor’s Parcels of Developed Property for which a building permit has been issued for the construction of one or more residential dwelling units.

“*Non-Residential Property*” generally means Developed Property that is not Residential Property.

**Maximum Annual Special Tax.** The Maximum Annual Special Tax in any Fiscal Year is defined in the Rate and Method as follows:

*Residential Property.* The Maximum Annual Special Tax for each parcel of Residential Property within a particular Zone is the greater of (i) the applicable Assigned Annual Special Tax for such Zone, or (ii) the Backup Annual Special Tax for such Zone.

*Non-Residential Property.* The Maximum Annual Special Tax for each parcel of Non-Residential Property within a particular Zone is the greater of (i) the Assigned Annual Special Tax for such Zone, or (ii) the Backup Annual Special Tax for such Zone.

*Undeveloped Property.* The Maximum Annual Special Tax for each Assessor’s Parcel classified as Undeveloped Property within a particular Zone is the Assigned Annual Special Tax for such Zone.

**Assigned Annual Special Taxes.** The Assigned Annual Special Tax in any Fiscal Year is defined in the Rate and Method as follows:

*Residential Property.* The Assigned Annual Special Tax for Residential Property is determined by reference to the tables below:

**ASSIGNED ANNUAL SPECIAL TAX  
FOR RESIDENTIAL PROPERTY IN ZONE 1  
FISCAL YEAR 2019-20**

<b>Unit Type</b>	<b>Building Square Footage</b>	<b>Assigned Annual Special Tax Per Unit</b>
Attached Unit	< 1,400	\$1,707.42
Attached Unit	1,400 - 1,699	1,770.52
Attached Unit	1,700 -1,999	2,022.94
Attached Unit	2,000 -2,199	2,357.40
Attached Unit	≥ 2,200	2,609.80
Detached Unit	< 1,750	2,211.60
Detached Unit	1,750 - 2,099	2,638.18
Detached Unit	2,100 - 2,299	2,896.26
Detached Unit	2,300 - 2,799	3,240.80
Detached Unit	≥ 2,800	3,751.94
Very Low Affordable Unit	NA	494.40
Affordable Unit	NA	857.98
High Density Unit A	NA	981.42
High Density Unit D/F	NA	1,144.14
Non-Residential	154,150	1.00

Source: DTA, Inc.

**ASSIGNED ANNUAL SPECIAL TAX  
FOR RESIDENTIAL PROPERTY IN ZONE 2  
FISCAL YEAR 2019-20**

<b>Unit Type</b>	<b>Building Square Footage</b>	<b>Assigned Annual Special Tax Per Unit</b>
Attached Unit	< 1,400	\$2,096.56
Attached Unit	1,400 - 1,699	2,159.68
Attached Unit	1,700 -1,999	2,412.10
Attached Unit	2,000 -2,199	2,746.54
Attached Unit	≥ 2,200	2,998.96
Detached Unit	< 1,750	2,600.78
Detached Unit	1,750 - 2,099	3,027.36
Detached Unit	2,100 - 2,299	3,285.44
Detached Unit	2,300 - 2,799	3,629.98
Detached Unit	≥ 2,800	4,141.10
Very Low Affordable Unit	NA	712.12
Affordable Unit	NA	1,075.68
High Density Unit A	NA	1,199.12
High Density Unit D/F	NA	1,361.86

Source: DTA, Inc.

**ASSIGNED ANNUAL SPECIAL TAX  
FOR RESIDENTIAL PROPERTY IN ZONE 3  
FISCAL YEAR 2019-20**

<b>Unit Type</b>	<b>Building Square Footage</b>	<b>Assigned Annual Special Tax Per Unit</b>
Attached Unit	< 1,400	\$1,707.42
Attached Unit	1,400 - 1,699	1,770.52
Attached Unit	1,700 - 1,999	2,022.94
Attached Unit	2,000 - 2,199	2,357.40
Attached Unit	≥ 2,200	2,609.80
Detached Unit	< 1,750	2,211.60
Detached Unit	1,750 - 2,099	2,638.18
Detached Unit	2,100 - 2,299	2,896.26
Detached Unit	2,300 - 2,799	3,240.80
Detached Unit	≥ 2,800	3,751.94
Very Low Affordable Unit	NA	494.40
Affordable Unit	NA	857.98
High Density Unit A	NA	981.42
High Density Unit D/F	NA	1,144.14
Non-Residential	853,479	1.00

Source: DTA, Inc.

Each July 1, the Assigned Annual Special Tax for Residential Property within each Zone is increased by 2% of the amount in effect in the prior Fiscal Year.

*Non-Residential Property.* The Assigned Annual Special Tax rate for Non-Residential Property within any Zone in Fiscal Year 2019-20 is \$1.00 per square foot of Floor Area, and such rate is increased by 2% of the amount in effect the prior Fiscal Year.

*Undeveloped Property.* The Assigned Annual Special Tax rate per acre of Undeveloped Property is determined by reference to the following table:

**ASSIGNED ANNUAL SPECIAL TAX  
FOR UNDEVELOPED PROPERTY  
FISCAL YEAR 2019-20**

<b>Zone</b>	<b>Assigned Annual Special Tax per Acre</b>
Zone 1	\$29,429.96
Zone 2	34,854.52
Zone 3	16,950.76

Source: DTA, Inc.

Each July 1, the Assigned Annual Special Tax per acre of Acreage for each Assessor's Parcel of Undeveloped Property within each Zone is increased by 2% of the amount in effect the prior Fiscal Year.

**Backup Annual Special Taxes.** Each Fiscal Year, all Developed Property shall be subject to a Backup Annual Special Tax. The Backup Annual Special Tax per square foot of Acreage for a parcel of Developed Property is determined as follows:

**BACKUP ANNUAL SPECIAL TAX  
FOR DEVELOPED PROPERTY  
FISCAL YEAR 2019-20**

<b>Backup Annual Special Tax per Sq. Ft. of Acreage</b>	
<b>Zone</b>	
Zone 1	\$0.68
Zone 2	0.82
Zone 3	0.40

Source: DTA, Inc.

Each July 1, the Backup Annual Special Tax per square foot of each parcel of Developed Property within each Zone is increased by 2% of the amount in effect the prior Fiscal Year.

**Method of Calculating Special Tax Levy.** Under the Rate and Method, for each Fiscal Year, the Community Facilities District administrator will determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax will then be levied according to the following steps:

Step 1: The Community Facilities District will levy an Annual Special Tax on each parcel of Residential Property in an amount equal to the Assigned Annual Special Tax applicable to each such parcel.

Step 2: If the sum of the amounts collected in Step 1 is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Community Facilities District will levy Proportionately an Annual Special Tax on each parcel of Non-Residential Property, up to the applicable Assigned Annual Special Tax, to satisfy the Minimum Annual Special Tax Requirement.

Step 3: If the sum of the amounts collected in Steps 1 and 2 is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Community Facilities District will levy Proportionately an Annual Special Tax on each Assessor's Parcel of Undeveloped Property, up to the applicable Assigned Annual Special Tax, to satisfy the Minimum Annual Special Tax Requirement.

Step 4: If the sum of the amounts collected in Steps 1 through 3 is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Community Facilities District will additionally levy an Annual Special Tax Proportionately on each parcel of Residential Property, up to the applicable Maximum Annual Special Tax, to satisfy the Minimum Annual Special Tax Requirement.

Step 5: If the sum of the amounts collected in Steps 1 through 4 is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Community Facilities District will additionally levy an Annual Special Tax Proportionately on each parcel of Non-

Residential Property, up to the applicable Maximum Annual Special Tax, to satisfy the Minimum Annual Special Tax Requirement.

**Excess Assigned Annual Special Taxes.** In any Fiscal Year, in which the Annual Special Taxes collected from Developed Property, pursuant to Step 1, above, exceed the Minimum Annual Special Tax Requirement, the School District will use such amount for any authorized uses in accordance with the Act, the Community Facilities District proceedings, and/or other applicable law.

**Prepayment of Special Tax.** The Special Tax obligation applicable to an Assessor's Parcel may be prepaid in full or in part and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied in full or in part, provided that the terms set forth under the Rate and Method are satisfied, including the following conditions:

- There are no delinquent Special Taxes, penalties, or interest charges with respect to such Assessor's Parcel at the time of prepayment.
- An owner of an Assessor's Parcel intending to prepay the Special Tax obligation is required to provide the School District with written notice of intent to prepay. Within 30 days of receipt of such written notice, the School District will notify such owner of the prepayment amount for such Assessor's Parcel.
- Under no circumstance will a prepayment 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 School District. Such determination will include identifying all Assessor's Parcels that are expected to become Exempt Property.

The Prepayment Amount is calculated based on the present value of future Special Taxes, a credit for reduction in debt service reserve requirements and the prepayment of Administrative Expenses, all as specified in APPENDIX B.

**Termination of Special Tax.** Annual Special Taxes will not be levied after Fiscal Year 2046-47.

**Exemptions.** "Exempt Property" means (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 used exclusively by a homeowners' association and (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property in a given Zone to less than the Minimum Taxable Acreage as shown in the table below. 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 in a given Zone to less than the Minimum Taxable Acreage for such Zone. 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 in a given Zone will continue to be classified as Residential Property, Non-Residential Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly. In such a case that an

Assessor's Parcel, not otherwise classified as Exempt Property, is acquired by the State of California, Federal or other local governments after the issuance of a building permit, or after the issuance of Bonds, whichever occurred first, will continue to be subject to a Special Tax in accordance with Section B of the Rate and Method.

### MINIMUM TAXABLE ACREAGE

Zone	Minimum Taxable Acreage
Zone 1	74.97
Zone 2	90.63
Zone 3	61.67

Source: DTA, Inc.

### Bonding Capacity

The Community Facilities District is authorized to issue bonds in a total principal amount not to exceed \$75,000,000 (the “**Bonded Indebtedness Limit**”) with respect to the Community Facilities District. See “THE 2019 REFUNDING BONDS – Authority for Issuance.”

The Series 2005 Bond were issued in the principal amount of \$30,725,000, the Series 2013 Bonds were issued in the principal amount of \$28,000,000, the 2014 Refunding Bonds were issued in the principal amount of \$27,345,000, the Series 2016 Bonds were issued in the principal amount of \$16,275,000, and the 2019 Refunding Bonds are being issued in the principal amount of \$25,345,000. Because the 2014 Refunding Bonds were issued, and the 2019 Refunding Bonds are being issued, as refunding bonds in compliance with the Act, their issuance does not affect or count against the Bonded Indebtedness Limit for the Community Facilities District. There is no remaining authorization under the Bonded Indebtedness Limit; however one or more series of Additional Bonds secured by Special Taxes on a parity with the 2014 Refunding Bonds, the Series 2016 Bonds, and the 2019 Refunding Bonds may be issued to refund any of the outstanding Bonds.

### Issuance of Additional Bonds for Refunding Purposes Only

Any Additional Bonds may only be issued for the purpose of refunding outstanding Bonds and only in compliance with the conditions set forth in the Fiscal Agent Agreement, as described below:

(A) *No Default.* No Event of Default may have occurred and then be continuing.

(B) *Bond Reserve Fund.* Subject to the provisions of the Fiscal Agent Agreement, any Supplemental Fiscal Agent Agreement providing for the issuance of such series of Additional Bonds must require that the balance in the Bond Reserve Fund, promptly upon the receipt of the proceeds of the sale of such series of Additional Bonds, be increased, if necessary, to an amount at least equal to the Bond Reserve Requirement with respect to all Bonds to be considered outstanding upon the issuance of such series of Additional Bonds. The deposit may be made from the proceeds of the sale of such series of Additional Bonds or from other funds of the School District or from both such sources or in the form of a letter of credit, an insurance policy, or a surety bond as described in such Supplemental Fiscal Agent Agreement.



(C) *Principal Amount.* The aggregate principal amount of Bonds issued under the Fiscal Agent Agreement or any Supplemental Fiscal Agent Agreement may not exceed the amount authorized pursuant to the Act and shall not exceed any other limitation imposed by law or by any Supplemental Fiscal Agent Agreement.

(D) *Value-to-Lien Ratios - Aggregate.*

*Developed Property.* The aggregate fair market value of all Developed Property that is Taxable Property (and the then existing private improvements thereon) on the date of the adoption of the Supplemental Fiscal Agent Agreement authorizing the issuance of such Additional Bonds (based on either the assessed valuations thereof as contained in the most recent equalized assessment roll of the County or an appraisal performed within three months of the date of issuance of such Additional Bonds by an appraiser selected by the School District who is State certified and a member of the Appraisal Institute (MAI) who will apply the standards and methods for appraisals described in the School District's Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act of 1982), must be equal to at least four times the sum of

(i) the aggregate principal amount of all Bonds to be outstanding after the issuance of such Additional Bonds payable from Special Taxes on such Developed Property, plus

(ii) the aggregate principal amount of all outstanding special assessment bonds that are payable from special assessments levied on such Developed Property, plus

(iii) the proportion of the aggregate principal amount of all outstanding bonds issued under the Act (other than the Bonds) that are payable from Special Taxes to be levied on such Developed Property.

*Undeveloped Property.* The aggregate fair market value of all Undeveloped Property that is Taxable Property on the date of the adoption of the Supplemental Fiscal Agent Agreement authorizing the issuance of such Additional Bonds (based on either the assessed valuations thereof as contained in the most recent equalized assessment roll of the County or an appraisal performed within three months of the date of issuance of such Additional Bonds by an appraiser selected by the School District who is State certified and a member of the Appraisal Institute (MAI) who shall apply the standards and methods for appraisals described in the School District's Local Goals and Policies Concerning the Use of the Mello-Roos Community Facilities Act of 1982), must be equal to at least three times the sum of

(i) the aggregate principal amount of all Bonds to be Outstanding after the issuance of such Additional Bonds payable from Special Taxes on Undeveloped Property, plus

(ii) the aggregate principal amount of all outstanding special assessment bonds that are payable from special assessments levied on the Undeveloped Property, plus

(iii) the proportion of the aggregate principal amount of all outstanding bonds issued under the Act (other than the Bonds) that are payable from Special Taxes to be levied on the Undeveloped Property.

(E) *Debt Service Coverage Ratio.* The amount of Special Taxes that may be collected in each Bond Year following issuance of the series of Additional Bonds by application of the Rate and Method must be no less than 110% of the aggregate of Annual Debt Service due and payable with respect to all Bonds to be outstanding in such Bond Year, as determined by an Independent Financial Consultant.

(F) *Exclusion of Delinquent Parcels.* The value of the Delinquent Parcels of Developed Property and Undeveloped Property must be excluded from the calculation of the value-to-lien ratio and debt service coverage ratios described in clauses (D) and (E) above.

(G) *Payment Dates.* The principal payments of such series of Additional Bonds must be due on the Principal Payment Date in each year in which principal is to be paid and the interest on such series of Additional Bonds must be due on each Interest Payment Date in each year, as appropriate.

Nothing contained in this Official Statement or the Fiscal Agent Agreement will prevent or be construed to prevent the Supplemental Fiscal Agent Agreement when providing for the issuance of a series of Additional Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by the Fiscal Agent Agreement, additional security for the benefit of such series of Additional Bonds or any portion thereof.

### **Foreclosure of Delinquent Parcels**

***Sale of Property for Nonpayment of Taxes.*** The Fiscal Agent Agreement provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

***Foreclosure Under Mello-Roos Act.*** Under Section 53356.1 of the Act, if any delinquency occurs in the payment of the Special Tax, the School District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale.

***Foreclosure Covenant.*** Under the Fiscal Agent Agreement, the School District covenants that it will order, cause to be commenced, and thereafter diligently prosecute to judgment (unless such delinquency is brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due, as provided in the following paragraph. On or about February 15 and June 15 of each Fiscal Year, the School District will compare the amount of Special Taxes to be collected on the December 10 and April 10 installments of the secured property tax bills to the amount of Special Taxes actually received by the School District in said installments, and proceed as set forth below:

*Individual Delinquencies.* If the School District determines that any single parcel subject to the Special Tax in the Community Facilities District is delinquent in the payment of Special Taxes in the aggregate amount of \$5,000 or more, then the School District will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings will be commenced by the School District within 90 days of a June 15 determination.

*Aggregate Delinquencies.* If the School District determines that the total amount of delinquent Special Taxes for the prior Fiscal Year (after both the first and second installments) for the entire Community Facilities District (including the total of individual delinquencies under the paragraph above) exceeds 5% of the total Special Taxes due and payable for the prior Fiscal Year, the School District will notify or cause to be notified all property owners who are then delinquent in the payment of Special Taxes and demand immediate payment of the delinquency within 45 days of a June 15 determination, and will commence foreclosure proceedings within 90 days of a June 15 determination against each parcel of land in the Community Facilities District with a Special Tax delinquency.

***Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays.*** No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the School District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold by foreclosure be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the School District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a “credit bid,” where the School District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the School District becomes the purchaser under a credit bid, the School District must pay the amount of its credit bid into the Principal Fund, but this payment may be made up to 24 months after the date of the foreclosure sale.

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of any defense by the debtor and the Superior Court calendar. Also, the ability of the School District to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation (the “FDIC”). See “BOND OWNERS’ RISKS – Exempt Properties.”

***No Teeter Plan.*** Because the County has not elected to apply the procedures of the “Teeter Plan” (which is the County’s Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds, as provided for in Section 4701 et seq. of the California Revenue and Taxation Code) to special taxes, collections of the Special Taxes remitted to the School District will reflect actual delinquencies.

## Allocation of Special Tax Revenues; Special Tax Fund

***Set Asides for Administrative Expenses and Special Tax Prepayments.*** Under the Fiscal Agent Agreement, the School District has established and maintains a special fund designated the “**Administrative Expense Fund.**” Each time Special Tax Revenues are received, the School District is required to set aside and deposit into the Administrative Expense Fund the amount determined by the School District to be required to pay its budgeted Administrative Expenses for the period prior to the next expected distribution of Special Tax Revenues from the County or otherwise (taking into account in such determination the amounts already on deposit in or available in the Administrative Expense Fund for payment of Administrative Expenses). The payment of Administrative Expenses is subject to a maximum each Fiscal Year. See “SECURITY FOR THE BONDS – Pledge of Net Special Tax Revenues.”

Under the Fiscal Agent Agreement, the School District is required to transfer all prepaid Special Taxes to the Fiscal Agent. The Fiscal Agent is required to deposit the prepaid Special Taxes into the Prepayment Fund.

***Deposit to Special Tax Fund.*** Under the Fiscal Agent Agreement, the Fiscal Agent has established and maintains the “Rio Elementary School District Community Facilities District No. 1 Special Tax Fund” (the “**Special Tax Fund**”). The Fiscal Agent is required to deposit the Net Special Tax Revenues received into the Special Tax Fund. All money in the Special Tax Fund is required to be held by the Fiscal Agent in trust and disbursed, allocated and applied solely to the uses and purposes hereinafter set forth in the Fiscal Agent Agreement.

***Disbursements.*** Under the Fiscal Agent Agreement, the Fiscal Agent is required to transfer, from the Special Tax Fund into the following respective accounts and funds established and maintained by the Fiscal Agent, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Net Special Tax Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund subsequent in priority:

(A) ***Interest Fund.*** On or before each Interest Payment Date, the Fiscal Agent is required to deposit in the Interest Fund an amount equal to the aggregate amount of interest becoming due and payable on the Outstanding Bonds on the next succeeding Interest Payment Date (excluding any amounts already on deposit therein or interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Bonds or other source reserved as capitalized interest to pay such interest on such Interest Payment Date). No deposit is required to be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the next succeeding Interest Payment Date (but excluding any moneys on deposit in the Capitalized Interest Account of the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Date).

(B) ***Principal Fund; Sinking Accounts.*** On or before each Principal Payment Date, the Fiscal Agent is required to deposit in the Principal Fund an amount equal to (a) the aggregate amount of principal becoming due and payable on the Outstanding Serial Bonds of all Series on the next succeeding Principal Payment Date, plus (b) the aggregate amount of the Mandatory Sinking Account Payments to be paid on the next succeeding Principal Payment Date; provided that, if the School District certifies to the Fiscal Agent that any principal payments shall be refunded on or prior to their respective due dates, no amounts are required be set aside towards the principal to be refunded. No deposit is required to be made into the Principal Fund so long

as such fund contains (i) moneys sufficient to pay the principal of all Serial Bonds of all Series issued hereunder and then Outstanding and maturing by their terms within the next twelve months, plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such twelve-month period, but less any amounts deposited into the Principal Fund during such twelve-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such twelve month period, and less any principal payments to be refunded on or prior to their respective due dates.

(C) *Bond Reserve Fund.* On or before each Interest Payment Date, the Fiscal Agent is required to deposit in the Bond Reserve Fund (except as otherwise provided in the Fiscal Agent Agreement for the funding and application of the Bond Reserve Fund), the amount required to restore the balance in the Bond Reserve Fund to an amount equal to the Bond Reserve Requirement, including reimbursements for draws on the Reserve Policy. See "— Bond Reserve Fund."

(D) *Surplus Fund.* The Fiscal Agent is required to transfer to the School District all money remaining in the Special Tax Fund on September 5 of each year, after transferring all of the sums required to be transferred therefrom on or prior to such date by the provisions of the foregoing paragraphs (A), (B), and (C) above, for deposit into the Surplus Fund. The School District shall use the money in the Surplus Fund solely for the payment of costs of the Facilities in accordance with the Act and the Acquisition Agreement.

## **Interest Fund**

Under the Fiscal Agent Agreement, the Fiscal Agent may use amounts in the Interest Fund solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Fiscal Agent Agreement).

## **Principal Fund**

***Application of Principal Fund.*** Under the Fiscal Agent Agreement, the Fiscal Agent may use amounts in the Principal Fund solely for the purpose of paying the principal of the Bonds when due and payable, except that all amounts in the Sinking Accounts shall be used and withdrawn by the Fiscal Agent solely to purchase or redeem or pay at maturity Term Bonds.

***Application of Sinking Accounts.*** Under the Fiscal Agent Agreement, the Fiscal Agent is required to establish and maintain a Sinking Account within the Principal Fund for the Term Bonds of each Series and maturity. On the Business Day prior to any date upon which a Mandatory Sinking Account Payment is due, the Fiscal Agent is required to transfer the amount of such Mandatory Sinking Account Payment from the Principal Fund to the applicable Sinking Account.

With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Fiscal Agent shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of such Series and maturity for which such Sinking Account was established; provided that the Fiscal Agent is required, upon receipt of a Request of the School District, to apply moneys in a Sinking Account to the purchase of Term Bonds of such Series and maturity at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as is directed by the

School District, except that the purchase price (excluding accrued interest) shall not exceed the principal amount thereof.

If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Fiscal Agent has purchased Term Bonds of such Series and maturity with moneys in such Sinking Account, or, during said period the School District has deposited Term Bonds of such Series and maturity with the Fiscal Agent, or Term Bonds of such Series and maturity were at any time purchased or redeemed by the Fiscal Agent from the Prepayment Fund or other source of funds and allocable to said Mandatory Sinking Account Payment, such Term Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. Any amounts remaining in a Sinking Account when all of the Term Bonds of such Series and maturity for which such account was established are no longer outstanding shall be transferred to the Principal Fund.

All Term Bonds purchased from a Sinking Account or deposited by the School District with the Fiscal Agent in a twelve-month period ending August 31 shall be allocated first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of Term Bonds, then as a credit against such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the School District.

All Term Bonds redeemed by the Fiscal Agent from the Prepayment Fund or other source of funds shall be credited to such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of the School District except as provided in the Fiscal Agent Agreement. See "THE 2019 REFUNDING BONDS – Redemption."

### **Bond Reserve Fund**

**Establishment.** Under the Fiscal Agent Agreement, the Fiscal Agent has established and is required to maintain the Bond Reserve Fund. On the date of issuance of the 2019 Refunding Bonds, the School District will deposit the Reserve Policy into the Bond Reserve Fund in order to satisfy the portion of the Bond Reserve Requirement (as defined below) attributable to the 2019 Refunding Bonds. Thereafter, deposits will be made as necessary to replenish the Bond Reserve Fund as provided in the Fiscal Agent Agreement.

The Reserve Policy will not be available for the payment of debt service on any Bonds other than the 2019 Refunding Bonds.

**Bond Reserve Requirement.** The Fiscal Agent Agreement defines the "Bond Reserve Requirement," as of any date of calculation, as the least of

- (i) Maximum Annual Debt Service on all Bonds Outstanding as of such date,
- (ii) 125% of average Annual Debt Service on all Bonds Outstanding as of such date and
- (iii) 10% of the original principal amount of the Bonds.

However, in the event of issuance of any Additional Series of Bonds, the amount deposited into the Bond Reserve Fund attributable to such Additional Series of Bonds, pursuant to the Fiscal Agent Agreement may be increased, if necessary, but not to exceed the Maximum Annual Debt Service applicable to such Additional Series of Bonds.

**“Maximum Annual Debt Service”** is defined in the Fiscal Agent Agreement as the greatest amount of principal and interest becoming due and payable on all Bonds in any one-year period ending September 1 (a **“Bond Year”**) including the Bond Year in which the calculation is made or any subsequent Bond Year.

**Disbursements.** Under the Fiscal Agent Agreement, the Fiscal Agent may use amounts on deposit in the Bond Reserve Fund as follows:

(1) *Payment of Debt Service Deficiencies.* All amounts in the Bond Reserve Fund (including all amounts that may be obtained from letters of credit, insurance policies, and surety bonds on deposit in the Bond Reserve Fund) shall be used and withdrawn by the Fiscal Agent, as hereinafter provided, solely for the purpose of making up any deficiency in the Interest Fund or the Principal Fund. The portion of the Bond Reserve Fund held in cash or Permitted Investments may be used (together with any other moneys available therefor) for the payment or redemption of all Bonds then Outstanding; such portion may also be used for the payment of the final principal and interest payment of a Series of Bonds if, following such payment, the amounts in the Bond Reserve Fund (including the amounts that may be obtained from letters of credit, insurance policies, and surety bonds on deposit therein) will equal the Bond Reserve Requirement after such redemption. The Fiscal Agent is required first to draw on the portion of the Bond Reserve Fund held in cash or Permitted Investments and then, on a pro rata basis with respect to the portion of the Bond Reserve Fund held in the form of letters of credit, insurance policies, and surety bonds (calculated by reference to the maximum amounts of such letters of credit, insurance policies, and surety bonds), draw on each letter of credit and collect under each insurance policy or surety bond issued with respect to the Bond Reserve Fund, in a timely manner and pursuant to the terms of such letter of credit, insurance policy, or surety bond to the extent necessary in order to obtain sufficient funds on or prior to the date such funds are needed to pay the principal of, Mandatory Sinking Account Payments with respect to, and interest on the Bonds when due.

(2) *Transfer Upon Special Tax Prepayment.* In the event of a prepayment of Special Taxes, the amount in the Bond Reserve Fund will be reduced by the amount of the Reserve Fund Credit as such term is defined in the Rate and Method of Apportionment and, as directed by the School District in writing, such amount shall be transferred by the Fiscal Agent to the Special Tax Fund.

(3) *Reimbursement of Draws on Letters of Credit and Insurance Policies.* If a drawing is made on a letter of credit, insurance policy, or surety bond, the Fiscal Agent is required to use amounts deposited in the Bond Reserve Fund by the School District following such draw first to make the payments required by the terms of the letter of credit, insurance policy, surety bond, or related reimbursement or loan agreement so that the letter of credit, insurance policy, or surety bond will (absent the delivery to the Fiscal Agent of a substitute letter of credit, insurance policy, or surety bond satisfying the requirements of this Section or the deposit in the Bond Reserve Fund of an amount sufficient to increase the balance in the Bond Reserve Fund to the Bond Reserve Requirement) be reinstated in the amount of such drawing within one year of the date of such drawing. After such reinstatement, the Fiscal Agent is required to use amounts deposited in the Bond Reserve Fund by the School District for the replenishment of the portion of Bond Reserve Fund held in cash or Permitted Investments.

(4) *Surplus Amounts.* Any amounts in the Bond Reserve Fund in excess of the Bond Reserve Requirement are required to be transferred by the Fiscal Agent each March 1 and September 1 inclusive of interest earnings to the Special Tax Fund; provided that such amounts



are required to be transferred only from the portion of the Bond Reserve Fund held in the form of cash or Permitted Investments.

**Substitute Credit Instruments.** Upon satisfaction of the certain conditions set forth in the Fiscal Agent Agreement, the School District may deliver a letter of credit, insurance policy or surety bond in lieu of making a cash deposit to or in replacement of cash then on deposit in the Bond Reserve Fund. See APPENDIX C for a description of the terms and conditions upon which such a substitution may occur.

### **Investment of Moneys in Funds**

All moneys in any of the funds and accounts held by the Fiscal Agent and established pursuant to this Fiscal Agent Agreement are required to be invested as directed by the School District, in Permitted Investments. See APPENDIX C for a definition of “Permitted Investments.” Moneys in the Bond Reserve Fund are required to be invested in Permitted Investments maturing or available on demand within ten years of the date of such investment. Moneys in the remaining funds and accounts will be invested in Permitted Investments maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Fiscal Agent.

## **BOND INSURANCE**

*The following information has been furnished by the Bond Insurer for use in this Official Statement. No representation is made as to the accuracy or completeness of this information, or the absence of material adverse changes therein at any time subsequent to the date hereof. Reference is made to APPENDIX H for a specimen of the Policy.*

### **Bond Insurance Policy**

Concurrently with the issuance of the 2019 Refunding Bonds, Build America Mutual Assurance Company (“**BAM**” or the “**Bond Insurer**”) will issue a Municipal Bond Insurance Policy (the “**Policy**”) for the 2019 Refunding Bonds. The Policy guarantees the scheduled payment of principal of and interest on the 2019 Refunding Bonds when due as set forth in the form of the Policy included as APPENDIX H to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Build America Mutual Assurance Company**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com). BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the 2019 Refunding Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the 2019 Refunding Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the 2019 Refunding Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the 2019 Refunding Bonds, nor does it guarantee that the rating on the 2019 Refunding Bonds will not be revised or withdrawn.

#### *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2019 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$525 million, \$114 million and \$411 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the 2019 Refunding Bonds or the advisability of investing in the 2019 Refunding Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

#### *Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at [buildamerica.com/creditinsights/](http://buildamerica.com/creditinsights/).

(The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at [buildamerica.com/obligor/](http://buildamerica.com/obligor/). BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the 2019 Refunding Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the 2019 Refunding Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the 2019 Refunding Bonds, whether at the initial offering or otherwise.

## THE COMMUNITY FACILITIES DISTRICT

### General Description and Location

**Background.** The School District formed the Community Facilities District by resolution adopted on May 3, 2005. The Community Facilities District is part of the City's 702-acre RiverPark Specific Plan area, which is entitled for the construction of up to 3,043 residential units and up to 2,098,000 square feet of commercial space. The property within the Community Facilities District consists of approximately 660 acres within the RiverPark Specific Plan area and is entitled for the construction of all of the maximum 3,043 residential units and up to 1,573,000 square feet of the commercial space. The residential portion of the Community Facilities District includes a wide variety of detached and attached product types, including units designated as affordable. The commercial portion includes retail, hotel, convention and office uses. The development within the Community Facilities District will also include various public facilities and infrastructure. See "THE DEVELOPMENT."

**Location.** Located in the northwest portion of the City, the Community Facilities District is bounded by U.S. Route 101 on the southwest, Vineyard Avenue on the southeast and the Santa Clara River on the north. The City is on the Pacific Coast in Ventura County, with the City of Ventura directly to the northwest and the City of Camarillo directly to the southeast. The City of Santa Barbara is approximately 30 miles northwest while the City of Los Angeles is approximately 60 miles southwest.

**Boundaries and Zones.** The boundary map of the Community Facilities District is attached as APPENDIX G. The Community Facilities District is subdivided into three "zones" (Zone 1, Zone 2 and Zone 3), as set forth in the map of zones attached to the Rate and Method. See APPENDIX B. Each Zone has different Special Tax Rates. See "SECURITY FOR THE BONDS – Rate and Method."

### Community Facilities District Financing Plan

**School Facilities Mitigation Agreement.** The Original Developers and the School District entered into the Mitigation Agreement in order to mitigate the impacts from the residential units originally entitled by the RiverPark Specific Plan. Under the original Mitigation Agreement, the Original Developers were required to construct three schools and convey them to the School District (to serve up to 1,638 students in kindergarten through eighth grade), two of which have been completed and conveyed to the School District. The Amended and Restated Mitigation Agreement shifted responsibility for the construction of the third school to the School District. Formation of the Community Facilities District and issuance of the Bonds are contemplated by the Mitigation Agreement as a means of financing the construction of these schools.

**Acquisition Agreement.** The School District and the Original Developers entered into an Acquisition Agreement dated as of September 1, 2005 (the "**Acquisition Agreement**"), under which the Original Developers have constructed the two schools required to be constructed under the Mitigation Agreement, as amended, and the School District is required to pay for and acquire these schools. No obligations of the School District remain under the Acquisition Agreement.

**Description of Facilities.** The facilities eligible to be financed by the Community Facilities District (the "**Facilities**") consist of school facilities owned or to be owned and operated by the School District, including two elementary schools and one intermediate school, together with school sites, structures, and furniture, fixtures, and equipment, and any other facilities or

equipment, such as administrative and support facilities, offices and equipment, buses, bus storage facilities, maintenance facilities and warehouses to be owned by the School District, provided that the Facilities must have a useful life of five years or longer.

The three schools authorized to be financed by the Community Facilities District are one K-6 elementary school ("**Rio Del Mar Elementary School**") and one 7-8 intermediate school ("**Rio Vista Intermediate School**"), which have been completed by the Original Developers and transferred to the School District, and one additional K-6 elementary school ("**RiverPark West Elementary School**"), which is currently being constructed by the School District.

Proceeds of the Series 2005 Bonds were used to partially reimburse the Original Developers for the costs of construction and equipping of Rio Del Mar Elementary School and a portion of Rio Vista Intermediate School.

Proceeds of the Series 2013 Bonds were used to partially reimburse the Original Developers for additional capital costs of Rio Vista Intermediate School.

Proceeds of the 2014 Refunding Bonds were used to defease and refund in full the outstanding Series 2005 Bonds.

Proceeds of the Series 2016 Bonds were used to partially reimburse the Original Developers for Facilities costs and to finance a portion of the construction costs of the RiverPark West Elementary School.

Proceeds of the 2019 Refunding Bonds will be used to defease and refund in full the outstanding Series 2013 Bonds. Any Additional Bonds may only be issued to refund the outstanding Bonds. See "SECURITY FOR THE BONDS – Bonding Capacity" and SECURITY FOR THE BONDS – Issuance of Additional Bonds for Refunding Purposes Only."

### **Development Plan Summary**

Pursuant to the RiverPark Specific Plan, the Community Facilities District is subdivided into 13 "Planning Areas" (A through M) designated for residential neighborhoods, retail, hotel/convention, two elementary schools, one secondary school, and a complete system of parks and play fields.

The RiverPark Specific Plan and subsequent approvals provide for up to 3,043 residential units in the Community Facilities District, including single-family detached, single family attached and high-density multifamily residences. A portion of the single family attached and high-density multifamily residences are affordable units.

The retail, office and hotel/convention uses in the Community Facilities District are limited to 1,573,000 square feet and is expected to occur almost exclusively in Planning Areas A, B, C, D and E. Planning Area D includes an entertainment-retail complex emphasizing local and regional culture and interest known as "The Collection." The Collection is a regional open-air lifestyle center with total entitlements of 904,000 square feet including retail and office space. See "THE DEVELOPMENT - Overall Development Plan and Development Status."

Public uses include two elementary schools (one of which has been completed), an intermediate school (which has been completed), open space/parks, a new detention basin (as part of the storm water quality treatment system), a new joint use City/County fire station

(completed), and a water storage/recharge basin which are subject to the provisions of a new mine reclamation plan.

### **Assessed Property Values**

**Background Regarding Assessed Valuation.** Article XIII A of the California Constitution (Proposition 13) defines “full cash value” to mean “the county assessor's valuation of real property as shown on the 1975-76 bill under 'full cash value', or, thereafter, the appraised value of real property when purchased or newly constructed or when a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. The “full cash value” is subject to annual adjustment to reflect increases, not to exceed 2 percent for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Because of the general limitation to 2% per year in increases in full cash value of properties which remain in the same ownership, the county tax roll does not reflect values uniformly proportional to actual market values.

**No Appraisal.** The School District has not obtained an appraisal to estimate the current market value of the parcels within the Community Facilities District. Therefore, all estimates of value used in this Official Statement are based solely on the Fiscal Year 2019-20 assessed values provided by the County Assessor.

The current market value of the parcels within the Community Facilities District may be less than the County Assessor's values shown in this Official Statement.

***Fiscal Year 2019-20 Assessed Value Summary.*** A summary of the Fiscal Year 2019-20 assessed value of the Taxable Property in the Community Facilities District is set forth in the table below.

**TABLE 1A  
ASSESSED VALUES  
Fiscal Year 2019-20**

Category	Assessed Value
Residential	\$976,935,844
Commercial	216,230,138
Total Assessed Value of Developed Property	1,193,165,982
Total Assessed Value of Undeveloped Property	15,437,468
Total Assessed Value of All Taxable Property	<u>\$1,208,603,450</u>

Source: *DTA, Inc.*, based on the 2019-20 County Assessor's roll as of January 1, 2019.

**Fiscal Year 2019-20 Assessed Value by Land Use Classification.** A breakdown of the Fiscal Year 2019-20 assessed value of the parcels classified as Developed Property in the Community Facilities District by land use category is set forth in the table below.

**TABLE 1B**  
**ASSESSED VALUES OF DEVELOPED PROPERTY BY LAND USE CLASSIFICATION**  
**Fiscal Year 2019-20**

Land Use Classification	Building Square Footage	No. of Units/ BSF [1]	Land Assessed Value [2]	Improvements Assessed Value [2]	Other Assessed Value	Total Assessed Value [2]
<i>Improved Property</i>						
Attached Unit	< 1,400	180	\$34,004,165	\$24,775,278	\$0	\$58,779,443
Attached Unit	1,400 - 1,699	286	60,946,107	39,403,790	0	100,349,897
Attached Unit	1,700 - 1,999	209	48,468,737	34,529,364	0	82,998,101
Attached Unit	2,000 - 2,199	169	42,174,262	27,851,218	0	70,025,480
Attached Unit	> 2,200	58	15,907,708	10,716,206	0	26,623,914
Detached Unit	< 1,750	120	32,376,813	20,445,773	0	52,822,586
Detached Unit	1,750 - 2,099	251	79,058,593	46,935,595	0	125,994,188
Detached Unit	2,100 - 2,299	77	27,928,601	15,575,768	0	43,504,369
Detached Unit	2,300 - 2,799	168	58,461,429	33,458,658	0	91,920,087
Detached Unit	> 2,800	0	0	0	0	0
Very Low Affordable	NA	259	12,778,261	19,997,159	142,200	32,917,620
Affordable Unit	NA	187	28,440,360	19,624,380	0	48,064,740
High Density Unit A	NA	400	25,857,393	86,768,263	1,100,000	113,725,656
High Density Unit D/F	NA	459	29,237,346	98,556,717	1,415,700	129,209,763
<i>Subtotal</i>		2,823	\$495,639,775	\$478,638,169	\$2,657,900	\$976,935,844
Commercial Property	NA	1,007,629	\$45,396,773	\$168,089,795	2,743,570	\$216,230,138
<i>Subtotal Improved Property</i>			\$541,036,548	\$646,727,964	\$5,401,470	\$1,193,165,982
Undeveloped Property	NA		12,149,315	3,288,153	0	15,437,468
<b>Total</b>			\$553,185,863	\$650,016,117	\$5,401,470	\$1,208,603,450

[1] Based on building permits issued as of January 1, 2019.

[2] As reported on the Fiscal Year 2019-20 equalized tax roll of the County as of January 1, 2019.

Source: DTA, Inc.



For a description of the status of projects, see “THE DEVELOPMENT PLAN – Overall Development Plan and Development Status.”

### **Assessed Value-to-Debt Ratio**

The tables below show the projected value-to-debt ratios for Developed Property in the Community Facilities District, based on the Fiscal Year 2019-20 County Assessor’s values, the principal amount of the 2014 Refunding Bonds, the Series 2016 Bonds and the 2019 Refunding Bonds, and the principal amount of certain overlapping special tax bonds, allocated based on each property classification’s estimated share of the estimated Fiscal Year 2019-20 Special Tax levy.

*No assurance can be given that the amounts shown in the tables below will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of Special Taxes.*

**TABLE 2**  
**ASSESSED VALUES AND VALUE-TO-DEBT RATIOS**  
**DEVELOPED PROPERTY**

Land Use Classification	Number of Units/BSF [1]	Assessed Value [2]	Fiscal Year 2018-19 Special Tax Levy [1]	Principal Amount of Series 2014 Bonds	Principal Amount of Series 2016 Bonds	Principal Amount of 2019 Refunding Bonds	Total Principal	City of Oxnard Community Facilities District No. 2000-3	Value- to-Debt Ratio
Attached Unit	902	\$338,776,835	\$1,987,849	\$9,676,988	\$5,644,910	\$9,826,253	\$25,148,150	\$731,791	13.09
Detached Unit	616	314,241,230	1,933,220	9,411,048	5,489,778	9,556,211	24,457,037	0	12.85
Very Low Affordable	259	32,917,620	128,050	623,354	363,623	632,969	1,619,947	77,366	19.39
Affordable Unit	187	48,064,740	160,442	781,044	455,609	793,091	2,029,745	257,252	21.02
High Density Unit A	400	113,725,656	392,568	1,911,048	1,114,778	1,940,526	4,966,352	0	22.90
High Density Unit D/F	459	129,209,763	525,160	2,556,517	1,491,301	2,595,950	6,643,768	322,406	18.55
Total Residential	2,823	\$976,935,844	\$5,127,289	\$24,960,000	\$14,560,000	\$25,345,000	64,865,000	\$1,388,815	14.75
Commercial Property	1,007,629	216,230,138	0	0	0	0	0	466,128	463.89
Total Taxable Property		\$1,193,165,982	\$5,127,289	\$24,960,000	\$14,560,000	\$25,345,000	\$64,865,000	\$1,854,943	17.88

[1] Based on building permits issued as of January 1, 2019.

[2] Total Assessed Value as reported on the Fiscal Year 2019-20 equalized tax roll of the County as of January 1, 2019.

Source: DTA, Inc.

## Direct and Overlapping Governmental Obligations

**Overlapping Debt Statement.** Contained within the boundaries of the Community Facilities District are certain overlapping local agencies providing public services. Many of these local agencies have outstanding debt. The direct and overlapping debt affecting the Community Facilities District as of August 1, 2019, is shown in the table below, a direct and overlapping government obligations report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. The Debt Report is included for general information purposes only. The School District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the Community Facilities District in whole or in part. These long-term obligations generally are not payable from revenues of the Community Facilities District (except as indicated) nor are they necessarily obligations secured by land within the Community Facilities District. In many cases long term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

**TABLE 3**  
**DIRECT AND OVERLAPPING GOVERNMENTAL OBLIGATIONS**

**2018-19 Assessed Valuation:** \$1,121,077,278 (Land and Improvements)

<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	<b><u>% Applicable</u></b>	<b><u>Debt 8/1/19</u></b>
Metropolitan Water District General Obligation Bonds	0.038%	\$ 18,171
Ventura Community College District General Obligation Bonds	0.818	2,178,093
Oxnard Union High School District General Obligation Bonds	2.529	6,551,882
Rio School District General Obligation Bonds	18.871	13,241,557
<b>Rio School District Community Facilities District No. 1 Special Tax Bonds</b>	<b>100.000</b>	<b>63,705,000<sup>(1)</sup></b>
City of Oxnard Community Facilities District No. 2000-3 Special Tax Bonds	55.328	3,117,755
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$88,812,458</b>
 <b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>		
Ventura County General Fund Obligations	0.817%	\$2,654,680
Ventura County Superintendent of Schools Certificates of Participation	0.817	75,362
Oxnard Union High School District Certificates of Participation	2.529	505,972
Rio School District Certificates of Participation	18.871	819,931
City of Oxnard General Fund Obligations	5.431	4,006,339
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b>\$8,062,284</b>
 <b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>		 <b>\$4,241,228</b>
 <b>COMBINED TOTAL DEBT</b>		 <b>\$101,115,970<sup>(2)</sup></b>

**Ratios to 2018-19 Assessed Valuation:**

<b>Direct Debt (\$63,705,000)</b> .....	<b>5.68%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	7.92%
Combined Total Debt .....	9.02%

(1) Excludes the 2019 Refunding Bonds offered hereunder, but includes the 2013 Bonds.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

## Estimated Tax Burden

**Representative Single Family Detached Home.** The following table sets forth the estimated total tax burden on a typical single family detached unit in Zone 1 of the Community Facilities District based on tax rates for Fiscal Year 2019-20 obtained from the County Tax Collector.

**TABLE 4A**  
**REPRESENTATIVE FISCAL YEAR 2019-20 TAX RATES -- ZONE 1**  
**(1,670 Square Foot Detached Single Family Unit)**

ASSESSED VALUATION AND PROPERTY TAXES		Percent of Total Assessed <u>Valuation</u>	Taxes And <u>Assessments</u>
Assessed Value [1]	\$429,000		
Homeowner's Exemption	<u>7,000</u>		
Taxable Value	\$422,000		
AD VALOREM PROPERTY TAXES [2]			
Prop 13 Maximum 1% Tax		1.000%	\$4,220.00
Ad Valorem Tax Overrides			
Rio Elementary School District Debt		0.018	\$77.65
Rio Elementary School District Debt #2		0.025	\$104.22
Oxnard Union High School District GOB		0.008	\$33.76
Oxnard Union High School District GOB #2		0.012	\$50.64
Oxnard Union High School District GOB #3		0.028	\$116.05
Ventura County Community College District GOB 2002		0.015	\$64.14
Metropolitan Water District of Southern California GOB 1966		0.004	\$14.77
City Oxnard District #1		0.063	\$265.00
Total Ad Valorem Property Taxes and Overrides			<u>\$4,946.25</u>
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES [2]			
Zone 2 Ventura Co. Watershed Prot. Dist. NPDES Oxnard			2.14
Zone 2 Ventura Co. NPDES Oxnard			5.54
Ventura Co. Public Works Agency Vector Control			3.22
Calleguas Municipal Water District Standby Charge			5.00
Metropolitan Water Dist. of So. Cal. Standby Charge			9.58
Co. of Ventura Flood Control District Zone No. 2			15.06
Oxnard Blvd - 101 CFD/MR			146.30
CFD No. 1 Rio Elementary School District [3]			1,770.52
City of Oxnard Community Facilities District No. 5			2,053.12
Total Assessments, Special Taxes and Parcel Charges			<u>\$4,010.48</u>
TOTAL ANNUAL TAXES AND ASSESSMENTS			\$8,956.73
Total Effective Tax Rate			2.12%

[1] Based on Assessed Value reported on the Fiscal Year 2018-19 equalized tax roll of the County, as of January 1, 2018.

[2] Based on Fiscal Year 2018-19 tax bills provided by the County Tax Collector.

[3] Based on projected Fiscal Year 2019-20 Special Taxes.

Source: DTA, Inc.

**Representative Attached Home.** The following table sets forth the estimated total tax burden on a typical attached residence in Zone 2 of the Community Facilities District based on tax rates for Fiscal Year 2019-20 obtained from the County Tax Collector.

**TABLE 4B**  
**REPRESENTATIVE FISCAL YEAR 2019-20 TAX RATES -- ZONE 2**  
**(1,785 Square Foot Detached Single Family Unit)**

ASSESSED VALUATION AND PROPERTY TAXES [2]		Percent of Total Assessed <u>Valuation</u>	Taxes and <u>Assessments</u>
Assessed Value [1]	\$412,114		
Homeowner's Exemption	(7,000)		
Taxable Value	<u>\$405,114</u>		
AD VALOREM PROPERTY TAXES [2]			
Prop 13 Maximum 1% Tax		1.000%	\$4,051.14
<i>Ad Valorem Tax Overrides</i>			
Rio Elementary School District Debt		0.018	\$74.54
Rio Elementary School District Debt #2		0.025	\$100.05
Oxnard Union High School District GOB		0.008	\$32.42
Oxnard Union High School District GOB #2		0.012	\$48.61
Oxnard Union High School District GOB #3		0.028	\$111.41
Ventura County Community College District GOB 2002		0.015	\$61.58
Metropolitan Water District of Southern California GOB 1966		0.004	\$14.18
City Oxnard District #1		0.063	<u>\$254.40</u>
Total Ad Valorem Property Taxes and Overrides			\$4,748.32
ASSESSMENTS, SPECIAL TAXES AND PARCEL CHARGES [2]			
Zone 2 Ventura Co. Watershed Prot. Dist. NPDES Oxnard			2.14
Zone 2 Ventura Co. NPDES Oxnard			5.54
Ventura Co. Public Works Agency Vector Control			3.22
Calleguas Municipal Water District Standby Charge			5.00
Metropolitan Water Dist. of So. Cal. Standby Charge			9.58
Co. of Ventura Flood Control District Zone No. 2			15.06
CFD No. 1 Rio Elementary School District [3]			2,412.10
City of Oxnard Community Facilities District No. 5			<u>2,246.80</u>
Total Assessments, Special Taxes and Parcel Charges			\$4,699.44
TOTAL ANNUAL TAXES AND ASSESSMENTS			\$9,447.76
Total Effective Tax Rate			2.33%

[1] Based on Assessed Value reported on the Fiscal Year 2018-19 equalized tax roll of the County, as of January 1, 2018.

[2] Based on Fiscal Year 2018-19 tax bills provided by the County Tax Collector.

[3] Based on projected Fiscal Year 2019-20 special taxes.

Source: DTA, Inc.

## Special Tax Collection and Delinquency Rates

**Overall Delinquencies.** The table below shows the history of the collections and delinquencies of the Special Taxes.

**TABLE 5**  
**SPECIAL TAX COLLECTIONS AND DELINQUENCIES**  
**Fiscal Years 2006-07 through 2019-20**

Fiscal Year	Subject Fiscal Year [1]					Delinquencies of June 30, 2019		
	Special Taxes Levied	Special Taxes Collected	Parcels Delinquent / Parcels Levied	Fiscal Year Amount Delinquent	Fiscal Year Delinquency Rate	Remaining Parcels Delinquent	Remaining Amount Delinquent	Remaining Delinquency Rate
2006-07	\$1,923,079	\$1,923,079	0 / 418	\$0	0.00%	0	\$0	0.00%
2007-08	2,111,643	2,090,673	17 / 1,193	20,969	0.99	0	0	0.00
2008-09	2,099,240	2,024,474	50 / 1,046	74,765	3.56	1	690	0.03
2009-10	2,141,034	2,101,244	27 / 774	39,790	1.86	4	2,815	0.13
2010-11	2,144,944	2,122,527	17 / 936	22,416	1.05	3	1,795	0.08
2011-12	2,421,067	2,380,189	27 / 1,059	40,878	1.69	25	36,283	1.50
2012-13	2,537,219	2,513,054	19 / 1,093	24,165	0.95	9	9,772	0.39
2013-14	3,665,039	3,619,139	32 / 1,212	45,901	1.25	32	45,901	1.25
2014-15	3,913,715	3,694,189	34 / 2,024	219,526	5.61	32	184,676	4.72
2015-16	4,476,321	4,440,506	20 / 2,471	35,815	0.80	2	5,805	0.13
2016-17	5,165,352	5,150,121	9 / 1,640	15,231	0.29	2	5,414	0.10
2017-18	5,032,271	5,028,443	4 / 1,756	3,828	0.08	1	821	0.02
2018-19	5,026,750	4,998,564	21 / 1,778	28,186	0.56	8	9,623	0.19
2019-20	5,127,289	N/A	TBD / 1,778	N/A	N/A	N/A	N/A	N/A

[1] As provided by the County as of July 31 of the applicable Fiscal Year.

Source: DTA, Inc.

**No Prior or Pending Enforcement Actions.** The School District has not to date taken actions to enforce delinquent Special Taxes or filed any Superior Court actions for foreclosure against any parcels with Special Tax delinquencies. See "SECURITY FOR THE BONDS - Foreclosure of Delinquent Parcels."

## Potential Consequences of Special Tax Delinquencies

Future delinquencies in the payment of property taxes (including the Special Taxes) with respect to property in the Community Facilities District could result in draws on the Bond Reserve Fund established for the Bonds, and perhaps, ultimately, a default in the payment on the Bonds. See "BOND OWNERS' RISKS."

## Special Tax Levy

**Special Tax Levy by Land Use.** The table below shows the projected Fiscal Year 2019-20 Special Tax levy by land use classification.

**Table 6A**  
**Projected Fiscal Year 2019-20 Special Tax Levy**  
**by Land Use Classification**

Land Use Classification	Number of Units/BSF [1]	Projected Fiscal Year 2019-20 Special Tax Levy [1]	Percent of Total
Attached Unit	902	\$1,987,849.16	38.77%
Detached Unit	616	1,933,219.76	37.70
Very Low Affordable	259	128,049.60	2.50
Affordable Unit	187	160,442.26	3.13
High Density Unit A	400	392,568.00	7.66
High Density Unit D/F	459	525,160.26	10.24
Total Residential	2,823	\$5,127,289.04	100.00%
Commercial [2]	1,007,629	0.00	0.00
Totals		\$5,127,289.04	100.00%

[1] Based on building permits issued as of January 1, 2019.

[2] Based on square footage.

Source: DTA, Inc.



**Special Tax Levy by Tax Class.** The table below shows the projected Fiscal Year 2019-20 Special Tax levy by Special Tax classification under the Rate and Method.

**Table 6B**  
**Projected Fiscal Year 2019-20 Special Tax Levy**  
**by Special Tax Classification**

Special Tax Classification	Building Square Footage	Number of Units/BSF [1]	Fiscal Year 2019-20 Special Tax Levy [1]	Percent of Total
Attached Unit	< 1,400	180	\$347,806	6.78%
Attached Unit	1,400 - 1,699	286	563,575	10.99
Attached Unit	1,700 - 1,999	209	488,952	9.54
Attached Unit	2,000 - 2,199	169	426,030	8.31
Attached Unit	> 2,200	58	161,487	3.15
Detached Unit	< 1,750	120	310,537	6.06
Detached Unit	1,750 - 2,099	251	759,867	14.82
Detached Unit	2,100 - 2,299	77	252,979	4.93
Detached Unit	2,300 - 2,799	168	609,837	11.89
Detached Unit	> 2,800	0	0	0.00
Very Low Affordable	N/A	259	128,050	2.50
Affordable Unit	N/A	187	160,442	3.13
High Density Unit A	N/A	400	392,568	7.66
High Density Unit D/F	N/A	459	525,160	10.24
<i>Total Residential</i>		<u>2,823</u>	<u>\$5,127,289</u>	<u>100.00%</u>
<i>Non-Residential Property [2]</i>		1,007,629	0	0.00
<i>Undeveloped Property [3]</i>	N/A	88.54	0	0.00
<b>Total</b>			<u>\$5,127,289</u>	<u>100.00%</u>

[1] Based on building permits issued as of January 1, 2019. Represents the combined Special Tax levy for each Zone. See "SECURITY FOR THE BONDS – Rate and Method."

[2] Based on Building Square Footage.

[3] Based on County Assessor's equalized tax roll as of January 1, 2019.

Source: DTA, Inc.

## Projected Maximum Special Tax Proceeds and Debt Service Coverage

Projected Special Tax revenues, when applied to the projected debt service on the Bonds, are anticipated to result in a debt service coverage ratio of at least 110% for the life of the Bonds, as shown in the table below. See "SECURITY FOR THE BONDS – Bonding Capacity."

**TABLE 7**  
**PROJECTED LEVY OF SPECIAL TAXES AND DEBT SERVICE COVERAGE**

Year Ending Sept. 1	Net Special Tax Revenues [1] [2]	Debt Service 2014 Refunding	Debt Service Series 2016	Debt Service 2019 Refunding	Total Debt Service	Projected Net Special Tax Revenues as a Percentage of Total Debt Service
2020	\$5,028,328.13	\$1,997,487.50	\$1,172,850.00	\$1,099,461.15	\$4,269,798.65	117.76%
2021	5,128,894.70	2,033,237.50	1,199,450.00	1,101,777.00	4,334,464.50	118.33
2022	5,231,472.59	2,080,237.50	1,224,250.00	1,126,057.00	4,430,544.50	118.08
2023	5,336,102.04	2,117,737.50	1,247,250.00	1,154,677.00	4,519,664.50	118.06
2024	5,442,824.08	2,160,987.50	1,272,500.00	1,182,397.00	4,615,884.50	117.92
2025	5,551,680.57	2,204,487.50	1,300,000.00	1,208,793.00	4,713,280.50	117.79
2026	5,662,714.18	2,247,987.50	1,319,500.00	1,243,681.00	4,811,168.50	117.70
2027	5,775,968.46	2,289,600.00	1,351,250.00	1,271,977.00	4,912,827.00	117.57
2028	5,891,487.83	2,338,600.00	1,379,500.00	1,298,633.00	5,016,733.00	117.44
2029	6,009,317.59	2,386,600.00	1,404,250.00	1,333,657.00	5,124,507.00	117.27
2030	6,129,503.94	2,433,350.00	1,425,500.00	1,366,671.00	5,225,521.00	117.30
2031	6,252,094.02	2,483,600.00	1,458,250.00	1,392,575.00	5,334,425.00	117.20
2032	6,377,135.90	2,531,850.00	1,491,750.00	1,425,962.50	5,449,562.50	117.02
2033	6,504,678.61	2,577,850.00	1,520,750.00	1,462,562.50	5,561,162.50	116.97
2034	6,634,772.19	2,636,350.00	1,545,250.00	1,492,212.50	5,673,812.50	116.94
2035	6,767,467.63	2,686,350.00	1,580,250.00	1,530,075.00	5,796,675.00	116.75
2036	6,902,816.98	-	-	4,473,110.00	4,473,110.00	154.32
2037	7,040,873.32	-	-	4,565,520.00	4,565,520.00	154.22
2038	7,181,690.79	-	-	4,664,760.00	4,664,760.00	153.96
2039	7,325,324.61	-	-	4,675,305.00	4,675,305.00	156.68
Total	\$122,175,148.15	\$37,206,312.50	\$21,892,550.00	\$39,069,863.65	\$98,168,726.15	NA

[1] Net of Administrative Expense, which for Fiscal Year 2019-20 is \$98,960.91, with an annual escalation rate of 2.00%.

[2] For Fiscal Year 2019-20, Special Tax revenues from residential property are based on permits issued as of January 1, 2019, and reflect the actual Special Tax levy. For Fiscal Years 2020-21 and beyond, projected Special Tax revenues are based on existing development and the assumption that only Residential property is subject to the Special Tax, and are escalated by 2.00% per year in accordance with the Rate and Method.

Source: DTA, Inc. and Raymond James.

## **Undeveloped Property**

As of January 1, 2019, there are 88.54 acres of Undeveloped Property in the Community Facilities District, which are not subject to the levy of the Special Tax for Fiscal Year 2018-19, and are not expected to be subject to the levy of the Special Tax in Fiscal Year 2019-20. This undeveloped acreage is spread among the three Zones.

The Rate and Method permits the Community Facilities District to levy a per-acre Special Tax against Undeveloped Property if the Assigned Annual Special Tax to be levied against Developed Property is insufficient to meet the Minimum Annual Special Tax Requirement. Under the Rate and Method, the rates at which the Special Tax is levied against Undeveloped Property vary according to whether the acreage is for residential or non-residential use, and according to the Zone in which the acreage is situated. See "SECURITY FOR THE BONDS – Rate and Method."

The 2019 Refunding Bonds have been structured such that a Special Tax against Undeveloped Property is not expected to be required. Special Tax revenues from Undeveloped Property were not taken into account in calculating the projected debt service coverage table above.

## THE DEVELOPMENT

The property within the RiverPark Specific Plan encompasses approximately 702 acres in the City and is entitled for the construction of up to 3,043 residential units and up to 2,098,000 square feet of commercial space. The property within the Community Facilities District consists of approximately 660 acres within the RiverPark Specific Plan and is entitled for the construction of all of the maximum 3,043 residential units and up to 1,573,000 square feet of the commercial space within the specific plan area. The development within the Community Facilities District will also include various public facilities and infrastructure (together with the residential and commercial development planned in the Community Facilities District, the “**Development**”). The planned residential portion includes a wide variety of detached and attached product types, including units designated as affordable. The planned commercial portion includes retail, hotel, convention and office uses.

### Development Requirements

**Original Developers.** At the time of the formation of the Community Facilities District, a substantial amount of the property in the Community Facilities District was owned by the Original Developers (RiverPark A LLC and RiverPark B LLC), and the Successor Riverpark Legacy, LLC, who, along with RiverPark Development, LLC, acted as master developer for the property and sold the property to other affiliates and merchant builders for development and no longer own a material portion of the property that is or might become Taxable Property within the Community Facilities District.

**Development Agreement.** The City and the Original Developers entered into a Development Agreement, dated August 27, 2002, and recorded on September 10, 2002 (as amended and extended, including by administrative extension or amendment, the “**Development Agreement**”), and formally amended the Development Agreement by entering into a First Amendment to Development Agreement, recorded on January 24, 2005, a Second Amendment to Development Agreement, recorded August 21, 2007, a Third Amendment to Development Agreement, recorded on October 13, 2010 (the “**Third Amendment to Development Agreement**”), and a Fourth Amendment to Development Agreement, recorded on October 8, 2012 (the “**Fourth Amendment to Development Agreement**”), and a Fifth Amendment to the Development Agreement, recorded on February 5, 2014 (the “**Fifth Amendment to the Development Agreement**”).

The Development Agreement provides vested rights to develop certain property within the RiverPark Specific Plan, including the property within the Community Facilities District, pursuant to the provisions of the RiverPark Specific Plan and the provisions of the Development Agreement. The Development Agreement became operative on October 10, 2002, and remains in effect for 20 years, unless modified by the parties or pursuant to the specific terms and conditions of the Development Agreement. At the City’s discretion, the Development Agreement may be extended for up to ten additional years. Except under specific circumstances, the Development Agreement prevents the City from enacting measures that relate to rate, timing, sequencing, density, intensity or configuration of any part of the Development inconsistent with the Development Agreement. The Development Agreement also prohibits moratoriums or other limitations that adversely affect the development of the Development.

**Owner Participation Agreement.** The Oxnard Community Development Commission (“**CDC**”) and RiverPark A entered into an Owner Participation Agreement on June 12, 2001 (as amended and extended, including by administrative extension or amendment, the “**OPA**”), which

was subsequently amended pursuant to a First Amendment to the Owner Participation Agreement, dated November 19, 2002, a Second Amendment to Owner Participation Agreement dated as of December 14, 2004, a Third Amendment to Owner Participation Agreement dated on or about August 7, 2007, a Fourth Amendment to Owner Participation Agreement dated on or about November 20, 2007, and a Fifth Amendment to Owner Participation Agreement dated on or about May 18, 2010.

In exchange for certain financial incentives, RiverPark A agreed to comply with all conditions of entitlement approvals and environmental mitigation for the Development and to develop the public infrastructure, facilities, and improvements required pursuant to the requirements of the RiverPark Specific Plan, the Environmental Impact Report, the Development Agreement, and the OPA, including those requirements related to timing and phasing of commercial development and minimum affordable housing requirements. The terms of the OPA relating to phasing of the Development and affordable housing parallel such terms in the Development Agreement. See "Development Phasing Requirements" and "Affordable Housing" below.

In addition, RiverPark A agreed initially to develop a hotel with approximately 320 rooms on or before November 19, 2009. The hotel was originally scheduled to be built on a 12.67 acre portion of property which comprised the eastern portion of The Landing and all of the property contained in The Pointe. Subsequent amendments to the OPA made the following changes to such requirement: (1) reduced the size of the hotel parcel from a 12.67 acre site to a site of approximately five acres and moved the hotel location to five acre parcel in the northwest portion of The Collection and then moved the hotel location back to a five acre parcel in The Landing (the current anticipated location) and permitted construction of the Target Store in the northwest portion of The Collection; (2) extended the time period for commencement of construction of the hotel until December 31, 2011; (3) modified the manner in which the CDC could acquire and develop the hotel site if construction did not commence by December 31, 2011, and diligent efforts were not used to complete the hotel within thirty six (36) months after the commencement of construction; and (4) modified the way in which the hotel site may be developed for retail purposes if the CDC did not develop the hotel site with a hotel in the specified manner. The current five acre hotel parcel is owned by Riverpark Hotel II, LLC.

Pursuant to state legislation enacted in 2011, the CDC was dissolved by operation of law as of February 1, 2012 and the City has succeeded to the obligations of the CDC under the OPA as its successor agency.

***No Remaining Infrastructure Requirements.*** Pursuant to the OPA and the Development Agreement, all work has been completed.

Under the Amended and Restated Mitigation Agreement, the School District has assumed responsibility for the design and construction of RiverPark West Elementary School (the third school originally required to be constructed by the Original Developers), and Riverpark Legacy and the Original Developers are required to deliver the site for RiverPark West Elementary School to the School District in construction-ready condition pursuant to the terms of the Purchase Agreement and Escrow Instructions between the School District and Riverpark A, LLC (APNs 132-0-110-015 and 132-0-100-265) dated November 18, 2015 (the "PSA"). The PSA also addressed the purchase by the School District of an additional site that was designated for commercial use.

**Affordable Housing.** The Development Agreement provides that the Development is to include 140 affordable dwelling units for rent to very low income households (together with all other affordable dwelling units required for the Development, the “**Affordable Housing Units**”). This requirement was satisfied by transferring land to Cabrillo, which completed and rented the 140 units.

The Development Agreement originally required 252 affordable dwelling units for sale (of which 140 units are to be for sale to low income households, and 112 units are to be for sale to moderate income households). In March 2012, the City approved a Specific Plan Minor Modification allowing an increase of 26 dwelling units to be added to Lot 18 but also requiring two additional affordable units (moderate income), thereby raising the requirement for Affordable Housing Units in that category from 112 to 114. In January 2014, the City approved a modification to the Assignment and Successor for Lot 18 which allowed the increase of 41 low affordable units and decrease of 41 moderate affordable units. The total numerical amount of affordable units remains unchanged. As of October 5, 2014, all of the 181 required units for sale to low income households have been sold, and all of the 73 required units for sale to moderate income households have been sold. A total 254 affordable units include 98 units located in Planning Area F and Planning Area J and 156 units in the Vista Urbana project on Lot 18.

In June 2012, the City approved the Fourth Amendment to the Development Agreement and RiverPark Specific Plan Amendment No. 3 which allowed an increase of 212 high density dwelling units to Lots 16 and 17 to the RiverPark Specific Plan (the Tempo and Sonata projects). The approval of the Fourth Amendment to the Development Agreement also required an increase of a minimum of 32 affordable high density rental units on such lots. Of the additional affordable high density dwelling units, 13 units are required to be available to very low income households and the remaining 19 dwelling units are available to moderate income households, all of which will be located within the Sonata development on Lot 17. The Sonata project has been constructed and certificate of occupancy issued for 53 affordable units. A total of 53 affordable units were approved for the project, consistent with the Seventh Amendment to the Agreement Containing Covenants Affecting Real Property..

The Development has satisfied all of phasing milestones. As of August 1, 2019, 447 certificates of occupancy have been issued, including 254 units for sale to low and moderate income households, 40 for moderate/low rental units and 153 units for rent to very low income households described above. There are no further restrictions on certificates of occupancy for market rate dwelling units because all affordable thresholds have been satisfied. See “– Overall Development Plan and Development Status – Residential” below for a description of communities and locations where residential units have been completed.

For Planning Area H of the Development, an affordable housing in-lieu fee of \$4,235 must be paid for each of the 382 dwelling units constructed in Planning Areas H-1 through H-5, but in no event will the total amount of the affordable housing in-lieu fees be less than \$1,617,770. Such fees were paid with the building permits pulled in Planning Area H.

## **Environmental Conditions**

**Hazardous Substances.** For a discussion of the risks associated with the discovery of hazardous substances on the property within the Community Facilities District, see “BOND OWNERS’ RISKS – Hazardous Substances.”

**Four Party Agreement.** A Four-Party Agreement Regarding Oxnard Plain Groundwater Recharge Program and RiverPark Reclamation Plan (the “**Four Party Agreement**”), was entered into on July 24, 2003, by and among RiverPark B, the City, United Water Conservation District (“**UWCD**”), and the Oxnard Plain/RiverPark Reclamation and Recharge Joint Powers Authority (the “**JPA**”). The Four Party Agreement provides a mechanism and procedure for three completed recharge basins within the Development to be conveyed to the JPA, the City, and/or UWCD once specific conditions have been met. The Four Party Agreement also provides (i) a formula for the distribution of certain grant funds to the parties, (ii) a formula by which the JPA would participate in cost savings (if any) relating to the reclamation work within the Development; (iii) a process for the short-term funding by RiverPark B of the recharge basin maintenance; and (iv) a short term remediation by RiverPark B of any slope failures in the recharge basins.

Reclamation work has been completed in all three recharge basins; The Small Woolsey, Large Woolsey and Brigham Basin reclamation work has been completed and is under maintenance until acceptance by the City and the JPA and/or UWCD.

**FEMA Flood Control Decertification.** The Santa Clara River Levee, which runs along the northern border of the Community Facilities District, does not meet the new post-Katrina federal levee standards and has been decertified by the Federal Emergency Management Agency. The levee is owned by the County. The U.S. Army Corps of Engineers completed a study of the Santa Clara River Watershed, and new Flood Insurance Rate Maps (“FIRM”) were issued. The new FIRM did not reclassify portions of the property within the District as being within a Flood Zone.

#### **Overall Development Plan and Development Status**

**Residential.** The overall development plan and development status of the residential property in the Community Facilities District is described in the table below.

**TABLE 8**  
**RESIDENTIAL DEVELOPMENT PLAN AND DEVELOPMENT STATUS**  
**(as of September 1, 2019)**

Planning Area [1]	Developer	Residential Project Name (Product Type) [2]	Square Footage (Range)	Potential Units per Develop. Plan [3]	Completed and Sold or Rented Units	Comments/Status
A	Capri/KW Serenade LLC	Serenade (HDMF for rent)	N/A	400	400	Completed and occupied.
A	Wolff Partners	Lot 3[4]	N/A	136	136	Completed
D	Oxnard Dev Site I, LLC (Wolf Partners)	Mosaic (HDMF for rent)	N/A	224	224	Completed and occupied.
D	Wolff Partners	Tempo (HDMF for rent)	N/A	235	235	Completed.
D	American Communities, LLC	Sonata (HDMF for rent)	N/A	53	53	Completed.
F	AGS Destination, LLC	Destination (SFA)	1,464-1,870	54	54	Affordable, sold out.
F	AGS Destination, LLC	Reflections (SFA)	1,321-1,475	62	62	Completed and sold out.
F	Centex Homes	Trellis (SFA)	1,664-2,096	56	56	Completed and sold out.
F	Aldersgate Investments	Vista Urbana (SFA)	981-1,407	156	156	Affordable, completed and sold out.
F	Cabrillo EDC	Paseo Santa Clara (HDMF for rent)	N/A	140	140	Affordable, occupied.
G	Centex Homes	Promenade (SFA)	1,835-2,116	36	36	Completed and sold out.
G	Corona Riverpark	Promenade (SFA for rent)	1,835-2,116	80	80	Completed and occupied
G	Centex Homes	Luminaria (SFA)	1,473-1,686	102	102	Completed and sold out.
G	Corona Riverpark	Luminaria (SFA for rent)	1,473-1,686	84	84	Completed and occupied.
G	AGS Market Street, LLC	Market Street (SFA)	2,362-2,631	32	32	Completed and sold out.
G	AGS Market Street, LLC	Boardwalk (SFA)	1,800-2,162	81	81	Completed and sold out.
H	Standard Pacific	Pacific Crossing (SFD)	1,547-2,097	104	104	Completed and sold out
H	Centex Homes	Westerly II (SFD)	1,976-2,420	14	14	Completed and sold out.
H	Corona Riverpark/McCarthy Builder	Shorewalk (formerly Westerly II)(SFD)	1,976-2,420	69	39	Units under construction, 18 units sold, units in escrow under construction
H	K Hovnanian	Veranda (SFD)	2,672-2,968	95	0	Finished lots, Model and phase 1 (7 units) under constuction.
H	elacora Riverpark LLC	District (former Morning View) (SFD)	1,652-1,987	113	113	All permits issued, Under construction for remaining units in escrow, and sold out
H	elacora Riverpark LLC	Axis (former Sienna) (SFD)	1,881-2,337	91	91	All permits issued, Under construction for remaining units in escrow and sold out
I	Standard Pacific	Collage I (SFA)	1,456-1881	44	44	Completed and sold out.
I	Standard Pacific	Collage II (SFA)	1,456-1881	60	60	Completed and sold out.
I	Standard Pacific	Avenue II (SFA)	2,137-2,303	32	32	Completed and sold out.
I	Standard Pacific	Landing (SFA)	1,050-1,658	78	78	Completed and sold out.
I	Standard Pacific	Waypointe (SFA)	1,333-1,765	104	104	Completed and sold out.
I	AGS Meridian, LLC	Meridian (SFA)	1,301-1,980	87	87	Completed and sold out.
I	AGS Meridian, LLC	East End (SFA)	1,478-2,112	72	72	Completed and sold out.
J	Standard Pacific	Celadon (SFD)	1,527-2,076	68	68	Completed and sold out.
J	Standard Pacific	Avenue (SFA)	2,137-2,303	28	28	Completed and sold out.
J	Standard Pacific	Daybreak (SFA)	1,543-1,662	62	62	44 units affordable and 18 market rate, sold out.
K	Standard Pacific	Avenue (SFA)	2,137-2,303	13	13	Completed and sold out.
K	Centex Homes	Westerly (SFD)	1,979-2,418	55	55	Completed and sold out.
K	Shea Homes	Tradewinds (SFD)	2,263-2,453	19	19	Completed and sold out
<b>TOTALS</b>				<u><b>3,139</b></u>	<u><b>3,014</b></u>	

[1] A diagram showing all the Planning Areas is set forth immediately preceding "THE DEVELOPMENT."

[2] Key: HDMF – high-density multifamily; SFA – single family attached; SFD – single family detached.

[3] Per Specific Plan, as amended through August 1, 2012.

[4] 136 senior housing units on Lot 3 not included in total residential units, entitlement granted as commercial square footage

Source: DTA, Inc.



The following high density residential projects have been completed: Serenade, 400 units, (Planning Area A) and Paseo Santa Clara, 140 affordable units, (Planning Area F1), and Mosaic, 224 units (Planning Area D). Tempo, 235 Units (Planning Area D) and Sonata (Planning Area D) are under construction with phased occupancy commencing in 2016

**Commercial.** The major commercial component of the Development is The Collection, a regional open-air lifestyle center with total entitlements of 904,000 square feet consisting of retail and office space (approximately 755,000 square feet, owned by SOCM I, LLC) and an adjacent Target store (approximately 148,000 square feet, owned by Target Corporation). Construction of The Collection began in November of 2007, and was temporarily halted in 2009 due to market conditions, waiting on an improved retail leasing market. Construction restarted in January 2012 and the retail building shells and initial tenant improvements were completed in 2012, 2013 and 2014. The initial development in The Collection contains approximately 585,000 square feet of shell retail space and was completed in the second quarter of 2013. As of May 2016, The Collection has approximately 429,596 square feet of executed retail leases and 62,712 square feet of executed office leases. Most major tenants have opened their stores. The major tenants include Whole Foods, Cinemark Theater, REI, H&M, ULTA, Yardhouse, Chico's, Ann Taylor Loft, Lazy Dog restaurants, 24 Hour Fitness, Bank of America, The Container Store, Victoria's Secret, the Gap, and the adjacent Target store.

**Rio Del Sol School Construction.** The original Development included three school sites. Two sites were developer built schools with the third and final Riverpark school site constructed by the District per a Mitigation Agreement with Shea Homes inc which assigned certain community facilities district proceeds for the construction of the new Rio Del Sol School on the designated Specific Plan School Site.

Construction Proceeds also include eligible state matching funds, local general obligation bond funds, and mitigation fees from other projects. Rio Del Sol is now open while the remaining phase is under construction and consideration for additional classrooms to house future students is also under consideration. Savings resulting from the refunding will be applied to the remaining construction.

*The future planned development in the Development is subject to overall market conditions. No assurances can be made that the current developers of the land within the Community Facilities District will have the resources, willingness and ability to successfully complete development or marketing activities on their property within the Community Facilities District as currently planned.*

## **PROPERTY OWNERSHIP**

### **General**

Ownership of the property subject to the Special Tax in Fiscal Year 2019-20 is significantly diversified with a majority of the residential property being either owned by homeowners or leased by end user tenants. The remaining property under development, or to be developed, is owned by multiple, unaffiliated developers, some building residential units for sale and some building residential units for rent (including affordable and market rate units) and others developing commercial uses. See “THE DEVELOPMENT – Overall Development Plan and Development Status”.

### **Property Ownership and Share of the Special Tax Levy**

The table below shows the ownership of the Taxable Property within the Community Facilities District as of January 1, 2019, the actual Fiscal Year 2018-19 Special Tax levy on the property classified as Taxable Property, and the resulting percentage share of the Special Tax levy.

The table on the following page also shows the ownership of the property currently classified as Undeveloped Property for Fiscal Year 2018-19, which is not subject to the levy of the Fiscal Year 2018-19 Special Tax, and assumes no further development of this property. See “SECURITY FOR THE BONDS – Rate and Method” for a description of the Assigned Annual Special Tax rates for each of the Zones in the event Special Taxes were to be levied on Undeveloped Property. The following is based on ownership information provided by the County Tax Assessor, and the School District can make no representation as to whether individual persons, corporations or other organizations are liable for Special Tax payments in connection with multiple properties held in various names that in the aggregate may be larger than what is suggested by the information in the table on the following page.

**TABLE 9**  
**Property Ownership and Share of Fiscal Year 2019-20 Special Tax Levy**  
**as of January 1, 2019**

Property Ownership [1]	Parcels [1]	2019-20 Special Tax Levy	% Share
<b>DEVELOPED PROPERTY</b>			
<u>Residential Property</u>			
Individual Homeowners	1,900	\$4,146,678.60	80.87%
Serenade Apts Prop Owner LLC	400	392,568.00	7.66
JT River Park Investment Inc	4	8,562.94	0.17
Mosaic Apartments LLC	224	256,287.36	5.00
405 Forest Park Apts LLC	235	268,872.90	5.24
Sonata at Riverpark Park LP	53	31,415.60	0.61
Sadiegirl Investments LLC	1	2,357.40	0.05
Dgenk LLC	1	3,629.98	0.07
US Bank Trust N A TTEE	1	3,629.98	0.07
Luxor Funding Group Inc	1	3,629.98	0.07
High Rock Assets LLC	1	2,998.96	0.06
Fitdigits Inc	1	3,629.98	0.07
Lesk LLC	1	3,027.36	0.06
Total Residential Property	2,823	\$5,127,289.04	100.00%
<u>Commercial Property</u>			
Clearwater at River Park LLC	154,150	\$0.00	0.00%
Target Corp	145,963	0.00	0.00
SOCM I LLC	668,342	0.00	0.00
SOCM I LLC Lessor	39,174	0.00	0.00
Total Commercial Property	1,007,629	\$0.00	0.00%
<b>TOTAL DEVELOPED PROPERTY</b>		<b>\$5,127,289.04</b>	<b>100.00%</b>
<b>UNDEVELOPED PROPERTY</b>			
Sunflower LP	6	\$0.00	0.00%
Riverpark Landing LLC	5	0.00	0.00
SOCM I LLC	2	0.00	0.00
Oakmont of Riverpark LLC	2	0.00	0.00
Riverpark B LLC	1	0.00	0.00
Riverpark Pointe LLC	1	0.00	0.00
<b>TOTAL UNDEVELOPED PROPERTY</b>	<b>17</b>	<b>\$0.00</b>	<b>0.00%</b>

[1] Based on County of Ventura Assessor's equalized tax roll, as of January 1, 2019.  
Source: DTA, Inc.

## **BOND OWNERS' RISKS**

*The purchase of the 2019 Refunding Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks which should be considered before making an investment decision. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the 2019 Refunding Bonds. The following risk factors are not presented in an order reflective of their relative importance to purchasers of the 2019 Refunding Bonds.*

### **Limited Obligation of the School District to Pay Debt Service**

The School District has no obligation to pay principal of and interest on the 2019 Refunding Bonds if Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the Bond Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies. The School District is not obligated to advance funds to pay debt service on the 2019 Refunding Bonds.

### **Levy and Collection of the Special Tax**

**General.** The principal source of payment of principal of and interest on the 2019 Refunding Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the Community Facilities District.

**Limitation on Maximum Special Tax Rate.** The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Rate and Method. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2019 Refunding Bonds.

If delinquencies occur in the receipt of Special Taxes in any Fiscal Year, the School District may increase the Special Tax levy up to the maximum rates as permitted in the Rate and Method in the following fiscal years if determined necessary to cure any delinquencies on the 2019 Refunding Bonds. There may be little or no difference between the Assigned Special Tax rate and the maximum rates where the property is all categorized as Developed Property.

If the School District was to levy Special Taxes on Developed Property at less than the Assigned Annual Special Tax, pursuant to Section 53321 of the Act and resolutions adopted by the School District, under no circumstances may the Special Tax levied against any parcel used for private residential purposes be increased as a consequence of the delinquency or default by the owner of any other parcel or parcels by more than 10%. For such purposes, a parcel will be considered used for private residential purposes not later than the date on which an occupancy permit for private residential use is issued. However, subject to the limitations on the School District's ability to levy the necessary amount of Special Taxes as imposed by Section 53321(d) of the Government Code, the School District can levy Special Taxes on Undeveloped Property to make up all or a portion of any shortfall in the Special Tax levy.

**No Relationship Between Property Value and Special Tax Levy.** Because the Special Tax formula set forth in the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels.

Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the 2019 Refunding Bonds, and certainly not a direct relationship.

***Factors that Could Lead to Special Tax Deficiencies.*** The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

*Transfers to Governmental Entities.* The number of parcels of Taxable Property could be reduced through the acquisition of Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

*Property Tax Delinquencies.* Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See “– Property Tax Delinquencies” below. For a summary of recent property tax collection and delinquency rates in the Community Facilities District, see “THE COMMUNITY FACILITIES DISTRICT – Special Tax Collection and Delinquency Rates.”

*Delays Following Special Tax Delinquencies and Foreclosure Sales.* The Fiscal Agent Agreement generally provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in “SECURITY FOR THE BONDS – Covenant to Foreclose” and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the 2019 Refunding Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the School District of the proceeds of sale if the Bond Reserve Fund is depleted. See “SECURITY FOR THE BONDS – Covenant to Foreclose.”

The ability of the School District to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the “**FDIC**”) the Federal National Mortgage Association (“**Fannie Mae**”), the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”), the Drug Enforcement Agency, the Internal Revenue Service or other similar federal governmental agencies, have or obtain an interest. The FDIC would obtain such an interest by taking over a financial institution which has made a loan which is secured by property within the Community Facilities District, and Fannie Mae or Freddie Mac would obtain such an interest by acquiring a mortgage secured by property within the Community Facilities District. See “– Exempt Properties – Property Owned by FDIC” below.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of such military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

## **Property Tax Delinquencies**

**General.** Delinquencies in the payment of property taxes and, consequently, the Special Taxes, can occur because the owners of delinquent parcels may not have received property tax bills from the County in a timely manner. Delinquencies can also reflect economic difficulties and duress by the property owner. See "THE COMMUNITY FACILITIES DISTRICT – Special Tax Collection and Delinquency Rates."

Sustained or increased delinquencies in the payment of the Special Taxes could cause a draw on the Bond Reserve Fund and perhaps, ultimately, a default in the payment on the 2019 Refunding Bonds.

**Measures to Mitigate Consequences of Continuing Delinquencies.** The School District intends to take certain actions designed to mitigate the impact of future delinquencies, including: enforcing the lien of the Special Taxes through collection procedures that will include foreclosure actions under certain circumstances (see "SECURITY FOR THE BONDS – Covenant to Foreclose"); and increasing the levy of Special Taxes against non-delinquent property owners in the Community Facilities District, to the extent permitted under the Rate and Method and the Act and to the extent the Special Taxes are not already being levied at the maximum Special Tax rate.

## **Future Property Development**

Continuing development of the undeveloped parcels in the Community Facilities District may be adversely affected by changes in general or local economic conditions, fluctuations in or a deterioration of the real estate market, increased construction costs, development, financing and marketing capabilities of the developers, water or electricity shortages, discovery on the undeveloped property of any plants or animals in their habitat that have been listed as endangered species, and other similar factors. Development in the Community Facilities District may also be affected by development in surrounding areas, which may compete with the Community Facilities District. Additional infrastructure improvements may be required before development can proceed on the undeveloped parcels in the Community Facilities District.

In addition, partially developed land is less valuable than developed land and provides less security for the 2019 Refunding Bonds (and therefore to the owners of the 2019 Refunding Bonds) should it be necessary for the School District to foreclose on undeveloped property due to the nonpayment of Special Taxes. Moreover, failure to complete future development on a timely basis could adversely affect the land values of those parcels which have been completed. Lower land values result in less security for the payment of principal of and interest on the 2019 Refunding Bonds and lower proceeds from any foreclosure sale necessitated by delinquencies in the payment of Special Taxes.

## **Assessed Valuations**

The School District has not commissioned an appraisal of the parcels in the Community Facilities District in connection with the issuance of the 2019 Refunding Bonds. Therefore, the estimated valuation of the Taxable Property in the Community Facilities District set forth in this Official Statement are based on the County Assessor's values. The assessed value is not an indication of what a willing buyer might pay for a property subject to foreclosure. The assessed value is not evidence of future value because future facts and circumstances may differ significantly from the present.

No assurance can be given that any of the Taxable Property in the Community Facilities District could be sold for the assessed value if that property should become delinquent and subject to foreclosure proceedings.

## **Risks Related to Homeowners With High Loan to Value Ratios**

Any future decline in home values in the Community Facilities District could result in property owner unwillingness or inability to pay mortgage payments, as well as ad valorem property taxes and Special Taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

It is possible that laws could be enacted in the future to assist homeowners in default in the payment of mortgages and property taxes. It is further possible that federal laws could be enacted that would adversely impact the ability of the School District to foreclose on parcels with delinquent Special Taxes. No assurance can be given that any such laws will be enacted, or if enacted will be effective in assisting affected homeowners.

## **Limited Number of Taxable Parcels**

The Special Taxes may only be levied and collected on the property classified as Taxable Property within the Community Facilities District.

Numerous future delinquencies by the owners of Taxable Property in the Community Facilities District in the payment of property taxes (and, consequently, the Special Taxes, which are collected on the ordinary property tax bills) when due could result in a deficiency in Special Tax revenues necessary to pay debt service on the 2019 Refunding Bonds, which could in turn result in the depletion of the Bond Reserve Fund, prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax. In that event, there could be a delay or failure in payments of the principal of and interest on the 2019 Refunding Bonds.

## **Payment of Special Tax is not a Personal Obligation of the Property Owners**

An owner of Taxable Property is not personally obligated to pay the Special Taxes. Rather, the Special Taxes are an obligation running only against the parcels of Taxable Property. If, after a default in the payment of the Special Tax and a foreclosure sale by the School District, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the affected parcels of Taxable Property, the School District has no recourse against the owner.

## Property Values

The value of Taxable Property within the Community Facilities District is a critical factor in determining the investment quality of the 2019 Refunding Bonds. If a property owner defaults in the payment of the Special Tax, the School District's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land values could be adversely affected by economic and other factors beyond the School District's control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood, landslides, wildfires, or other natural disasters, environmental pollution or contamination, or unfavorable economic conditions.

The following is a discussion of specific risk factors that could affect the value of property in the Community Facilities District.

*Risks Related to Availability of Mortgage Loans.* Events in the national and world-wide capital markets have adversely affected the availability of mortgage loans to homeowners, including potential buyers of homes within the Community Facilities District. Any such unavailability could hinder the ability of the current homeowners to resell their homes, or the sale of newly completed homes in the future.

*Natural Disasters.* The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements. The areas in and surrounding the Community Facilities District, like those in much of California, may be subject to unpredictable seismic activity, including earthquakes and landslides.

Other natural disasters could include, without limitation, floods, landslides, wildfires, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the Taxable Property may well depreciate or disappear.

*Legal Requirements.* Other events that may affect the value of Taxable Property include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

*Hazardous Substances.* One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property



whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The property values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any of the Taxable Property by reason of the possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. Although the School District is not aware that the owner or operator of any of the Taxable Property has such a current liability with respect to any of the Taxable Property, it is possible that such liabilities do currently exist and that the School District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of Taxable Property that is realizable upon a delinquency.

See "THE DEVELOPMENT – Environmental Conditions."

### **Other Possible Claims Upon the Value of Taxable Property**

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The table in the section entitled "THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Governmental Obligations" shows the presently outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the 2019 Refunding Bonds.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the 2019 Refunding Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will

generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro-rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See “– Bankruptcy and Foreclosure Delays” below.

## **Exempt Properties**

***Exemptions Under Rate and Method and the Act.*** Certain properties are exempt from the Special Tax in accordance with the Rate and Method and the Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the Community Facilities District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. See APPENDIX B.

In addition, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

***Property Owned by FDIC.*** The ability of the School District to collect interest and penalties specified by State law and to foreclose the lien of a delinquent Special Tax installment may be limited in certain respects with regard to property in which the FDIC has or obtains an interest. The FDIC has asserted a sovereign immunity defense to the payment of special taxes and assessments. The School District is unable to predict what effect this assertion would have in the event of a delinquency on a parcel within the Community Facilities District in which the FDIC has or obtains an interest.

In addition, although the FDIC does not claim immunity from ad valorem property taxation, it requires a foreclosing entity to obtain FDIC's consent to foreclosure proceedings. Prohibiting a foreclosure on property owned by the FDIC could reduce the amount available to pay the principal of and interest on the 2019 Refunding Bonds. Either outcome would cause a draw on the Bond Reserve Fund and perhaps, ultimately, a default in the payment on the 2019 Refunding Bonds.

*No investigation has been made as to whether the FDIC or any other governmental entity currently owns or has an interest in any property in the Community Facilities District.*

***Property Owned by Fannie Mae or Freddie Mac.*** If a parcel of Taxable Property is owned by a federal government entity or federal government-sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of Taxable Property is owned by a federal government entity or federal government-sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited.

Federal courts have held that, based on the supremacy clause of the United States Constitution (“This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding”), in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of Taxable Property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the School District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government’s mortgage interest.

*No investigation has been made as to whether Fannie Mae, Freddie Mac, or any other governmental entity currently owns or has an interest in any property in the Community Facilities District.*

### **Depletion of Bond Reserve Fund**

The Bond Reserve Fund is to be maintained at an amount equal to the Bond Reserve Requirement. See “SECURITY FOR THE BONDS – Bond Reserve Fund.” The Bond Reserve Fund will be used to pay principal of and interest on the Bonds if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within the Community Facilities District. If the Bond Reserve Fund is depleted, it can be replenished from the proceeds of the levy and collection of the Special Taxes that exceed the amounts to be paid to the Bond owners under the Fiscal Agent Agreement. However, because the Special Tax levy is limited to the maximum annual Special Tax rates, it is possible that no replenishment would be possible if the Special Tax proceeds, together with other available funds, remain insufficient to pay all such amounts. Thus it is possible that the Bond Reserve Fund will be depleted and not be replenished by the levy and collection of the Special Taxes.

### **Bankruptcy and Foreclosure Delays**

The payment of the Special Tax and the ability of the School District to foreclose the lien of a delinquent unpaid Special Tax, as discussed in “SECURITY FOR THE BONDS,” may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2019 Refunding Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the

possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2019 Refunding Bonds.

In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent Special Taxes not being paid in full.

### **Disclosure to Future Purchasers**

The School District has recorded a notice of the Special Tax lien, as amended, in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land or a home in the Community Facilities District or the lending of money secured by property in the Community Facilities District. The Act requires the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

### **No Acceleration Provisions**

The 2019 Refunding Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the 2019 Refunding Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bond owner is given the right for the equal benefit and protection of all Bond owners similarly situated to pursue certain remedies. See APPENDIX C. So long as the 2019 Refunding Bonds are in book-entry form, DTC will be the sole Bond owner and will be entitled to exercise all rights and remedies of Bond owners.

### **Voter Initiatives and State Constitutional Provisions**

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

**Proposition 218.** Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIIC and XIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes,

assessments and property-related fees and charges. Among other things, Section 3 of Article XIII C states that “. . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge.” The Mello-Roos Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Mello-Roos Act unless the legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt.

**Proposition 26.** On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes (“special taxes”) require a two-thirds vote. The Special Taxes and the Bonds were each authorized by not less than a two-thirds vote of the landowners within the Community Facilities District who constituted the qualified electors at the time of such voted authorization, and the statute of limitations period for any challenges to the formation of the Community Facilities District and the levy of the Special Taxes has expired. The School District believes, therefore, that issuance of the Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 have undergone and are likely to undergo, both judicial and legislative scrutiny.

For example, in August 2014, in *City of San Diego. v. Melvin Shapiro*, an Appellate Court invalidated an election held by the City of San Diego to authorize the levying of special taxes on hotels city-wide pursuant to a city charter ordinance creating a convention center facilities district which specifically defined the electorate to consist solely of (1) the owners of real property in the city on which a hotel is located, and (2) the lessees of real property owned by a governmental entity on which a hotel is located. The court held that such landowners and lessees are neither “qualified electors” of the city for purposes of Articles XIII A, Section 4 of the California Constitution, nor a proper “electorate” under Article XIII C, Section 2(d) of the California Constitution. The court specifically noted that the decision did not require it to consider the distinct question of whether landowner voting to impose special taxes under Section 53326(b) of the Mello-Roos Act (which was the nature of the voter approval through which the Community Facilities District was formed) violates the California Constitution in districts that lack sufficient registered voters to conduct an election among registered voters. Accordingly, this case should have no effect on the levy of the Special Taxes by the Community Facilities District.

The School District and the Community Facilities District cannot predict the ultimate outcome or effect of any such judicial scrutiny, legislative actions, or future initiatives. These initiatives, and any future initiatives, may affect the collection of fees, taxes and other types of revenue by local agencies such as the Community Facilities District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-

approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2019 Refunding Bonds.

### **Cyber Security**

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the District is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the District's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the the District, or the administration of the 2019 Refunding Bonds. The District is also reliant on other entities and service providers in connection with the administration of the 2019 Refunding Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes, the Fiscal Agent, and the Dissemination Agent. No assurance can be given that the District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

### **Risks Relating to Bond Insurance**

In the event of a default in the payment of principal or interest on the 2019 Refunding Bonds, when all or some becomes due, any Owner of a 2019 Refunding Bond may have a claim under the Policy. The Policy will not insure against redemption premium, if any, with respect to the 2019 Refunding Bonds. In the event that BAM is unable to make payment of principal or interest on the 2019 Refunding Bonds as such payments become due under the Policy, the 2019 Refunding Bonds will be payable solely as otherwise described herein. In the event that BAM becomes obligated to make payments on the 2019 Refunding Bonds, no assurance can be given that such event would not adversely affect the market price of the 2019 Refunding Bonds or the marketability (liquidity) of the Bonds.

Neither the District nor the Underwriter will make an independent investigation of the claims paying ability of any Insurer issuing the Policy, and no assurance or representation regarding the financial strength or projected financial strength thereof is being made by the District or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Bonds, potential investors should carefully consider the ability of the District to pay principal and interest on the 2019 Refunding Bonds, assuming that the Policy is not available, and the claims-paying ability of potenatial Insurers through final maturity of the 2019 Refunding Bonds.

### **Tax Cuts and Jobs Act**

H.R. 1 of the 115th U.S. Congress, also known as the "Tax Cuts and Jobs Act," was enacted into law on December 22, 2017 (the "Tax Act"). The Tax Act makes significant changes to many aspects of the Code. For example, the Tax Act reduces the amount of mortgage interest expense and state and local income tax and property tax expense that individuals may deduct from their gross income for federal income tax purposes, which could increase the cost of home ownership within the District. However, the District cannot predict the effect that the Tax Act may have on the cost of home ownership or the price of homes in the District or the ability or willingness of homeowners to pay Special Taxes or property taxes

## **Secondary Market for Bonds**

There can be no guarantee that there will be a secondary market for the 2019 Refunding Bonds or, if a secondary market exists, that any 2019 Refunding Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the 2019 Refunding Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the 2019 Refunding Bonds for audit examination, or the course or result of any Internal Revenue Service audit or examination of the Bonds or obligations that present similar tax issues as the 2019 Refunding Bonds.

## **LEGAL MATTERS**

### **Legal Opinions**

The proceedings in connection with the issuance of the 2019 Refunding Bonds are subject to the approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel. A copy of the proposed form of Bond Counsel opinion approving the validity of the 2019 Refunding Bonds will be made available to purchasers at the time of original delivery and is attached as APPENDIX F to this Official Statement.

Certain legal matters will be passed upon for the School District and the Community Facilities District by Parker & Covert LLP, Sacramento, California. Certain legal matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California. Jones Hall, A Professional Law Corporation, San Francisco, California, is serving as Disclosure Counsel to the School District.

### **No Federal Tax Exemption**

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, under existing statutes, regulations, ruling and court decisions, interest on the Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, under existing law, such interest is exempt from State of California personal income taxes. A complete copy of the proposed form of Opinion of Bond Counsel is attached as APPENDIX F.

Ownership of the Bonds may result in state and local tax consequences to certain taxpayers. The nature and extent of these other tax consequences will depend upon the owner's particular tax status or other circumstances. Bond Counsel expresses no opinion regarding any such other tax consequences. Prospective purchasers of the Bonds should consult their own tax advisers regarding the applicability of any such state and local taxes.

### **No Material Litigation**

At the time of delivery of the 2019 Refunding Bonds, the School District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any

court, public board or body, pending with respect to which the School District has been served with process or threatened, which:

- in any way questions the powers of the Board or the School District, or
- in any way questions the validity of any proceeding taken by the Board in connection with the issuance of the 2019 Refunding Bonds, or
- in the event of an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the purchase agreement with respect to the 2019 Refunding Bonds, or
- in any way, could adversely affect the validity or enforceability of the resolutions of the Board adopted in connection with the formation of the Community Facilities District or the issuance of the 2019 Refunding Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Certificate or the purchase agreement with respect to the 2019 Refunding Bonds, or
- in any other way questions the status of the 2019 Refunding Bonds under State tax laws or regulations.

### **VERIFICATION OF MATHEMATICAL ACCURACY**

Causey Demgen & Moore P.C., Denver, Colorado, upon delivery of the 2019 Refunding Bonds, will deliver a report on the mathematical accuracy of certain computations contained in schedules provided to them relating to the sufficiency of the anticipated receipts from the monies deposited under the Escrow Agreement to pay, when due, the principal, interest and redemption requirements of the Series 2013 Bonds.

### **RATINGS**

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), is expected to assign its rating of "AA" to the 2019 Refunding Bonds, based on the understanding that the Bond Insurer will deliver its Bond Insurance Policy with respect to the 2019 Refunding Bonds upon delivery.

In addition, S&P, has assigned an underlying rating of "A-" to the 2019 Refunding Bonds. Such ratings reflect only the view of S&P and an explanation of the significance of such ratings may be obtained only from S&P. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement because it is not material to making an investment decision). There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the 2019 Refunding Bonds.



## CONTINUING DISCLOSURE

The School District will covenant in a continuing disclosure certificate (the "**Continuing Disclosure Certificate**"), the form of which is attached as APPENDIX E, for the benefit of owners of the 2019 Refunding Bonds, to provide certain financial information and operating data relating to the Community Facilities District (the "**Annual Report**") not later than nine months after the end of the School District's fiscal year (which currently ends on June 30), commencing with the report for the 2018-19 fiscal year, and to provide notices of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report and in the event notices is described in APPENDIX E. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2 12(b)(5).

In the previous five years, the School District has not failed to comply, in all material respects, with its existing continuing disclosure undertakings. However, the School District's 2016-17 audited financial statements, while timely filed, were not properly linked to all required CUSIP numbers of the outstanding Community Facilities District bonds. The School District believes it has established processes to ensure it will make required filings on a timely basis in the future.

The School District has engaged DTA, Inc., its special tax consultant, to serve as dissemination agent under the Continuing Disclosure Certificate and to assist the School District in carrying out its continuing disclosure obligations with respect to the 2019 Refunding Bonds.

## **UNDERWRITING**

The 2019 Refunding Bonds are being purchased by Raymond James & Associates, Inc. (the “**Underwriter**”) at a purchase price of \$24,407,910.85 (which represents the aggregate principal amount of the 2019 Refunding Bonds (\$25,345,000), less original issue discount of \$683,639.25, less an underwriter's discount of \$253,450.00).

The Bond Purchase Agreement provides that the Underwriter will purchase all of the 2019 Refunding Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement.

The Underwriter may offer and sell 2019 Refunding Bonds to certain dealers and others at prices lower than the offering price stated on the cover page hereof. The offering prices may be changed from time to time by the Underwriter.

## **PROFESSIONAL FEES**

In connection with the issuance of the 2019 Refunding Bonds, fees payable to certain professionals are contingent upon the issuance and delivery of the 2019 Refunding Bonds. Those professionals include:

- the Underwriter;
- Parker & Covert LLP, as Bond Counsel;
- Jones Hall, A Professional Law Corporation, as Disclosure Counsel;
- Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the Underwriter;
- Isom Advisors, a Division of Urban Futures, Inc., as financial advisor;
- DTA, Inc., formerly known as David Taussig & Associates, Inc., as special tax consultant; and
- Zions Bancorporation, National Association, as Fiscal Agent.

## **EXECUTION**

The execution and delivery of the Official Statement have been duly authorized by the School District on behalf of the Community Facilities District.

RIO ELEMENTARY SCHOOL DISTRICT

By: \_\_\_\_\_  
John D. Puglisi, Ph.D., Superintendent,  
Rio Elementary School District,  
on behalf  
of Rio Elementary School District  
Community Facilities District No. 1

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX A

### ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF OXNARD AND THE COUNTY OF VENTURA

*The following information concerning the City of Oxnard (the "City") and the County of Ventura (the "County") are included only for the purpose of supplying general information regarding the community. The 2019 Refunding Bonds are not a debt of the City, the County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

#### General

The Rio Elementary School District is located in the County and serves the City of Oxnard, the unincorporated community of El Rio, and the RiverPark development.

**City of Oxnard.** The City of Oxnard is located along the coast of Southern California. It is the most populous city in the County and the 19th most populous city in the State. The City lies approximately 35 miles west of the Los Angeles city limits and is part of the larger Greater Los Angeles area. The City was incorporated as a California city in 1903. The city has a total area of 39 square miles; 27 square miles of it is land and 12 square miles of it is water.

The City is located on the Oxnard Plain, which is considered one of the most fertile soil areas in the world due to its Group I soils and favorable climate. In approximately the mid-19th Century, pioneers began settling the area and farming barley and lima beans. Henry T. Oxnard operated a successful sugar beet factory, which operated from 1899 until 1959. In present day, the Oxnard Plain is well known for its strawberries. The City is considered one of the State's largest strawberry producers, supplying about one third of the State's annual strawberry volume. The City hosts the annual California Strawberry Festival.

The economy of the City is driven by international trade, agriculture, manufacturing, finance, transportation, and petroleum energy. The City is one of the key manufacturing centers in the Greater Los Angeles area, and its Port of Hueneme is the busiest and only deep-harbor commercial port between Los Angeles and San Francisco and is vital to trade with the Pacific Rim economies. The Oxnard Oil Field and the West Montalvo Oil field are two large active oil fields that underlie the City and adjacent areas.

The Interstate 101 is the major highway running through the City, connecting Ventura and Santa Barbara to the northwest, and Los Angeles to the southeast. The Pacific Coast Highway (State Route 1) heads down the coast south to Malibu. The City is also served by Amtrak, Union Pacific, Metrolink, and Greyhound trains and buses. The City also has a small regional airport called Oxnard Airport.

**County of Ventura.** The County is located in the southern part of California. It is located on Pacific coast and is part of the Greater Los Angeles Area. The County has a total of 2,208 square miles, of which 1,845 square miles is land and 363 square miles is water. Most of the population of Ventura County lives in the southern (mainland) portion of the county. The major population centers are the Oxnard Plain and the Simi and Conejo Valleys.

## Population

The following table lists population estimates for the City, the County and the other major cities in the County as of January 1 each year for the last five calendar years.

**CITY OF OXNARD  
VENTURA COUNTY  
Population Estimates  
Calendar Years 2015 through 2019**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Camarillo	67,428	68,026	68,207	68,452	69,880
Fillmore	15,525	15,580	15,701	15,840	15,925
Moorpark	35,911	36,376	36,550	36,828	37,020
Ojai	7,702	7,703	7,717	7,741	7,769
<b>Oxnard</b>	<b>207,471</b>	<b>208,603</b>	<b>208,987</b>	<b>209,269</b>	<b>209,879</b>
Port Hueneme	22,858	23,185	23,182	23,370	23,526
San Buenaventura	109,946	109,946	110,092	110,125	108,170
Santa Paula	30,901	31,004	30,915	30,931	30,779
Simi Valley	127,253	127,069	127,166	127,421	127,716
Thousand Oaks	130,205	129,949	129,949	130,283	129,557
Balance of County	97,305	97,445	97,507	97,155	96,377
<b>Total County</b>	<b>852,505</b>	<b>854,886</b>	<b>855,973</b>	<b>857,415</b>	<b>856,598</b>

*Source: California Department of Finance, Demographic Research Unit*

## Employment and Industry

The District is included in the Oxnard-Thousand Oaks-Ventura Metropolitan Statistical Area (“**MSA**”). The unemployment rate in Ventura County was 3.6% in June 2019, up from a revised 3.0% in May 2019, and below the year-ago estimate of 3.8%. This compares with an unadjusted unemployment rate of 4.1% for California and 3.8% for the nation during the same period.

The following table shows civilian labor force and wage and salary employment data for the Oxnard-Thousand Oaks-Ventura Metropolitan Statistical Area, which is coterminous with Ventura County and, therefore, includes the City of Santa Paula, for the past five calendar years. These figures are area-wide statistics and may not necessarily accurately reflect employment trends in the City.

### OXNARD-THOUSAND OAKS-VENTURA METROPOLITAN STATISTICAL AREA (Ventura County) Annual Average Civilian Labor Force, Employment and Unemployment, Employment by Industry (March 2018 Benchmark)

	2014	2015	2016	2017	2018
Civilian Labor Force <sup>(1)</sup>	430,100	427,600	425,700	424,700	425,700
Employment	401,500	403,500	403,400	405,600	409,700
Unemployment	28,600	24,100	22,200	19,100	16,100
Unemployment Rate	6.6%	5.6%	5.2%	4.5%	3.8%
<u>Wage and Salary Employment:</u> <sup>(2)</sup>					
Agriculture	26,500	26,300	25,200	23,800	24,400
Mining and Logging	1,300	1,000	900	900	900
Construction	13,700	14,200	14,600	15,700	16,800
Manufacturing	25,000	25,900	25,700	25,600	26,200
Wholesale Trade	12,700	12,600	13,000	13,200	13,200
Retail Trade	39,200	39,900	40,000	40,100	39,600
Trans., Warehousing and Utilities	6,000	6,000	6,000	6,100	6,400
Information	5,300	5,100	5,000	5,000	5,000
Finance and Insurance	14,200	13,500	13,200	12,700	12,400
Real Estate and Rental and Leasing	4,500	4,300	4,300	4,200	4,100
Professional and Business Services	41,500	40,500	40,900	42,200	42,900
Educational and Health Services	41,600	42,900	44,400	45,900	47,600
Leisure and Hospitality	34,800	35,700	36,400	37,200	37,700
Other Services	9,800	9,700	9,600	9,600	9,400
Federal Government	6,900	7,100	7,400	7,300	7,200
State Government	2,800	2,900	2,900	3,000	3,000
Local Government	34,400	35,400	36,300	36,600	36,600
Total, All Industries <sup>(3)</sup>	320,200	322,800	325,700	329,200	333,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

## Major Employers

The following table lists the major employers within the County as of August 2019, in alphabetical order.

### VENTURA COUNTY Major Employers August 2019

Employer Name	Location	Industry
Amgen Inc	Newbury Park	Biological Specimens-Manufacturers
Baxter Healthcare	Westlake Village	Physicians & Surgeons Equip & Supls-Mfrs
City of Simi Valley	Simi Valley	City Hall
Community Memorial Health Syst	Ventura	Health Care Management
Haas Automation Inc	Oxnard	Computers-Electronic-Manufacturers
Harbor Freight Tools USA Inc	Camarillo	Tools-New & Used
Kiser Permanente Ventura 888	Ventura	Medical Centers
Los Robles Hospital & Med Ctr.	Thousand Oaks	Hospitals
Moorpark College	Moorpark	Schools-Universities & Colleges Academic
Nancy Reagan Breast Ctr	Simi Valley	Diagnostic Imaging Centers
National Guard	Port Hueneme	Government Offices-State
Naval Base Ventura County	Point Mugu Nawc	Military Bases
Ojai Valley Inn & Spa	Ojai	Hotels & Motels
Oxnard College	Oxnard	Schools-Universities & Colleges Academic
Pentair Aquatic Systems	Moorpark	Swimming Pool Equipment & Supls-Retail
Port Hueneme Div Naval	Port Hueneme Cbc	Military Bases
Rancho Simi Recreation Prk Dst	Simi Valley	Swimming Pools-Pubic
Santa Paula Sch Superintendent	Santa Paula	Schools
Sheriff's Department-Jails	Ventura	Government Offices-County
Simi Valley City Manager	Simi Valley	Government Offices-City, Village & Twp
Simi Valley Hospital	Simi Valley	Hospitals
St John's Regional Medical Ctr.	Oxnard	Hospitals
Sullstar Technologies	Simi Valley	Telephone Equipment & Supplies
Ventura County Medical Ctr.	Ventura	Hospitals
Ventura County Office of Edu.	Camarillo	Schools

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2019 2nd Edition.



## Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2015 through 2019.

**CITY OF OXNARD, VENTURA COUNTY,  
STATE OF CALIFORNIA AND UNITED STATES  
Effective Buying Income  
As of January 1, 2015 through 2019**

<b>Year</b>	<b>Area</b>	<b>Total Effective Buying Income (000's Omitted)</b>	<b>Median Household Effective Buying Income</b>
2015	City of Oxnard	\$3,216,918	\$51,206
	Ventura County	21,468,990	60,911
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2016	City of Oxnard	\$3,529,380	\$54,966
	Ventura County	24,412,090	67,179
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2017	City of Oxnard	\$3,487,509	\$55,137
	Ventura County	23,874,399	65,193
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	City of Oxnard	\$3,753,727	\$58,421
	Ventura County	26,565,506	71,934
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of Oxnard	\$3,763,376	\$58,042
	Ventura County	26,149,018	70,618
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841

*Source: The Nielsen Company (US), Inc for years 2015 through 2018; Claritas, LLC for 2019.*

## Commercial Activity

Summaries of historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables. Annual figures are not yet available for calendar year 2018.

Total taxable sales during the first quarters of calendar year 2018 in the City were reported to be \$684,172,336, a 7.00% increase over the total taxable sales of \$639,434,194 reported during the first quarter of calendar year 2017.

**CITY OF OXNARD**  
**Taxable Retail Sales**  
**Number of Permits and Valuation of Taxable Transactions**  
**Calendar Years 2013 through 2017**  
**(Dollars in Thousands)**

	<b>Retail Stores</b>		<b>Total All Outlets</b>	
	<b>Number of Permits</b>	<b>Taxable Transactions</b>	<b>Number of Permits</b>	<b>Taxable Transactions</b>
2013	2,218	\$1,864,247	3,479	\$2,395,169
2014	2,338	1,947,853	3,590	2,502,372
2015 <sup>(1)</sup>	2,556	1,964,023	4,103	2,521,312
2016	2,565	2,085,890	4,193	2,639,291
2017	2,653	2,152,900	4,287	2,733,223

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during the first quarter of calendar year 2018 in the County were reported to be \$3,311,700,481, a 3.63% increase over the total taxable sales of \$3,195,813,883 reported during the first quarter of calendar year 2017.

**VENTURA COUNTY**  
**Taxable Retail Sales**  
**Number of Permits and Valuation of Taxable Transactions**  
**Calendar Years 2009 through 2013**  
**(Dollars in Thousands)**

	<b>Retail Stores</b>		<b>Total All Outlets</b>	
	<b>Number of Permits</b>	<b>Taxable Transactions</b>	<b>Number of Permits</b>	<b>Taxable Transactions</b>
2013	14,285	\$9,101,436	22,234	\$12,824,296
2014	14,903	9,401,053	22,851	13,366,628
2015 <sup>(1)</sup>	10,453	9,615,370	25,826	13,784,346
2016	15,595	9,774,880	26,161	13,745,950
2017	15,751	10,102,010	26,392	13,901,215

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

## Construction Activity

Construction activity in the City and the County for the past five years for which data is available is shown in the following tables. Data is not yet available for calendar year 2015.

### CITY OF OXNARD Total Building Permit Valuations Calendar Years 2010 through 2014 (Valuations in thousands)

	2014	2015	2016	2017	2018
<u>Permit Valuation</u>					
New Single-family	\$10,497.2	\$41,189.3	\$48,722.1	\$55,602.1	\$16,535.7
New Multi-family	48,026.2	11,874.3	87,380.0	41,833.8	15,462.4
Res. Alterations/Additions	<u>12,277.6</u>	<u>7,501.4</u>	<u>5,645.5</u>	<u>4,977.7</u>	<u>6,517.4</u>
Total Residential	70,801.0	60,565.0	141,747.6	102,413.6	38,515.5
New Commercial	2,459.6	5,281.7	10,978.0	9,697.8	2,317.1
New Industrial	9,118.2	1,337.6	0.0	0.0	7,311.5
New Other	2,156.9	764.0	5,688.7	13,923.6	14,126.8
Com. Alterations/Additions	<u>19,682.6</u>	<u>14,145.1</u>	<u>17,549.1</u>	<u>16,958.3</u>	<u>17,485.9</u>
Total Nonresidential	33,417.3	21,528.4	34,218.8	40,579.7	41,241.3
<u>New Dwelling Units</u>					
Single Family	42	146	144	198	40
Multiple Family	<u>269</u>	<u>83</u>	<u>579</u>	<u>482</u>	<u>56</u>
TOTAL	311	229	723	680	96

Source: Construction Industry Research Board, Building Permit Summary.

### VENTURA COUNTY Total Building Permit Valuations Calendar Years 2010 through 2014 (Valuations in thousands)

	2014	2015	2016	2017	2018
<u>Permit Valuation</u>					
New Single-family	\$169,065.9	\$238,295.5	\$236,652.9	\$266,346.8	\$392,515.2
New Multi-family	102,514.6	69,260.2	147,122.8	231,822.5	107,224.0
Res. Alterations/Additions	<u>72,971.1</u>	<u>66,458.2</u>	<u>64,655.7</u>	<u>200,617.4</u>	<u>148,312.3</u>
Total Residential	344,551.6	374,013.9	448,431.4	698,786.7	648,051.5
New Commercial	21,358.7	55,505.3	52,600.3	71,967.3	144,707.2
New Industrial	17,938.6	4,404.9	4,647.4	35,699.9	16,865.3
New Other	30,893.9	37,412.3	57,210.5	31,579.7	42,529.7
Com. Alterations/Additions	<u>79,948.9</u>	<u>92,613.9</u>	<u>88,289.8</u>	<u>91,036.8</u>	<u>153,876.8</u>
Total Nonresidential	150,140.1	189,936.4	202,748.0	230,283.7	357,979.0
<u>New Dwelling Units</u>					
Single Family	450	615	652	851	637
Multiple Family	<u>632</u>	<u>394</u>	<u>1,011</u>	<u>1,638</u>	<u>612</u>
TOTAL	1,082	1,009	1,663	2,489	1,249

Source: Construction Industry Research Board, Building Permit Summary.

## **Transportation**

The County is located at the approximate midpoint between Los Angeles and Santa Barbara and is linked to these areas by several highways. The largest and most heavily traveled highways are: U.S. 101 (Ventura Freeway), Highway 118 (Simi Valley Freeway), Highway 1 (Pacific Coast Highway), Highway 23, which connects Moorpark to Thousand Oaks and Simi Valley via U.S. 101 and Highway 118, Highway 33, which connects Ventura and Ojai, and Highway 126, which runs through the Fillmore and Santa Paula areas. Highways 118 and 126 connect to Interstate 5 in Los Angeles County.

The Southern Pacific Railroad serves the County's industrial areas, running 30 trains daily, with piggyback service and available industrial sidings. The County Railway, a privately owned shortline railroad serves the industrial areas of south Oxnard, the Port of Hueneme and the U.S. Navy Construction Battalion Center.

AMTRAK operates passenger trains daily through the County and has its major hub at the Oxnard Transportation Center. Connection stations are located in Ventura, Moorpark and Simi Valley. The trains run between San Francisco, Santa Barbara, Los Angeles, San Diego and other destinations.

Metrolink, Southern California's commuter train network, which connects commuters in five counties with employment centers throughout the region, originates in Moorpark. Metrolink links the County with the Los Angeles Metro Rail system.

Commuter air service to Los Angeles, Las Vegas, San Francisco, Monterey, Sacramento, Oakland, San Diego, Santa Barbara, San Jose and Bakersfield is available from the Oxnard Airport. Other airports serving the County are Camarillo Airport and the Santa Paula Airport, both general aviation facilities. The County is approximately 62 miles from the Los Angeles International Airport and 55 miles from the Burbank Airport.

## **APPENDIX B**

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 1 OF RIO ELEMENTARY SCHOOL DISTRICT**

The following sets forth the Rate and Method of Apportionment ("RMA") for the levy and collection of Special Taxes by Community Facilities District No. 1 ("CFD No. 1") of the Rio Elementary School District ("School District"). A Special Tax shall be levied annually on and collected from Taxable Property (as defined below) in CFD No. 1 each Fiscal Year, as defined below, in an amount determined through the application of the RMA, described below. All of the real property in CFD No. 1, 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**

The terms hereinafter set forth have the following meanings:

**"Acreage or Acre"** 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 applicable Final Map.

**"Act"** means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of 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. 1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the proportional payment of salaries and benefits of any School District employee to the extent duties are directly related to the administration of CFD No. 1, fees charged by a third party consultant for services related to the administration of CFD No. 1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 1. The costs associated with the administration of Bonds shall include, but not be limited to (i) costs of complying with disclosure obligations required by the State of California, Federal or other governmental agencies, (ii) costs of complying with arbitrage rebate requirements, (iii) costs associated with releasing funds from escrow, if any, and (v) fees charged by the authorized trustee.

**"Affordable Unit"** means any (i) Attached Unit or Detached Unit constructed within CFD No. 1 to satisfy Section 1.1 of the Development Agreement and which conforms with the "affordable housing cost" limitations, set forth in Health and Safety Code Section 50052.5(3) or (ii) any Apartment Unit constructed within CFD No. 1 to satisfy Section 1.1 of the Development Agreement and which conforms with the "affordable rent" limitations set forth in Health and Safety Code Section 50053(b) as evidenced by the applicable deed restrictions, resale restrictions, and/or regulatory agreements.

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

**"Apartment Unit"** means each separate residential dwelling unit which comprises an independent facility made available for rental, but not for purchase by the general public.

**"Assessor's Parcel"** means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"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.

**"Attached Unit"** means a Unit that is located within a building in which each of the individual Units has or shall have at least one common wall with another Unit.

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

**"Board"** means the Board of Trustees of Rio Elementary School District, or its designee, in certain cases acting as the Legislative Body of CFD No. 1.

**"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 over a 30 year period with an average rating equivalent to Moody's "A1" and S&P's "A+", as may be reasonably determined by the Board.

**"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 all or a portion of the Special Taxes have been pledged.

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

**"Building Square Footage"** or **"BSF"** means for any Unit, the square footage of assessable internal living space listed on the building permit(s) for such Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, internal hallways or detached accessory structure.

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

**"City"** means the City of Oxnard.

**"County"** means the County of Ventura.

**"Detached Unit"** means a Unit, which is not an Attached Unit.



**"Developed Property"** means all Assessor's Parcels in CFD No. 1 for which building permits for new construction were issued on or before January 1 of the prior Fiscal Year.

**"Development Agreement"** means the Development Agreement by and between the City and Riverpark A, LLC and RiverPark B, LLC dated August 27, 2002, as amended.

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

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

**"Final Tract Map 5352-1"** means that certain map known as Tract No. 5352-1, in the City of Oxnard, County of Ventura, State of California, as per map recorded in Book 150 Page 76 through 92 inclusive of Miscellaneous Records (Maps), in the office of the County Recorder of said County as document number 20040831-0239661.

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

**"Floor Area" or "FA"** means for any Non-Residential Property the total of the gross area of the floor surface within the exterior wall of the building(s), not including space devoted to stairwells, basement storage, required corridors, public restrooms, elevator shafts, light courts, vehicle parking and areas incidental thereto, mechanical equipment incidental to the operation of such building and covered public pedestrian circulation areas including atriums, lobbies, plazas, patios, decks, and similar areas, except such public circulating areas or portions thereof that are used solely for commercial purposes as listed on the applicable building permit issued for such Non-Residential Property.

**"High Density Unit A"** means a Unit that is (i) located within a building in which each of the individual Units have at least one common wall with another Unit and (ii) is located within Lot 3, 4, 5, 7 and/or 8 of Final Tract Map 5352-1.

**"High Density Unit D/F"** means a Unit that is (i) located within a building in which each of the individual Units have at least one common wall with another Unit and (ii) is located within Lot 11, 12, 16, 17 and/or 18 of Final Tract Map 5352-1.

**"Homeowner"** means any owner of a completed Unit constructed and sold within CFD No. 1.

**"Long Term Lessee"** means any person or entity who has entered into a lease contract for the use of an Assessor's Parcel within CFD No. 1 for a term of 20 years or longer.

**"Lot"** means an individual legal lot created by a Final Map.

**"Maximum Annual Special Tax"** means the Special Tax of that name as described in Section C.

**"Minimum Annual Special Tax Requirement"** means the amount in any Fiscal Year equal to: (i) one-hundred and ten percent (110%) of the debt service on all outstanding Bonds, (ii) the periodic costs of the Bonds, including but not limited to, credit enhancement costs and rebate payments on

the Bonds, (iii) Administrative Expenses of CFD No. 1, (iv) the costs associated with the release of funds from an escrow account established in association with the Bonds, (v) any amount required to establish or replenish any reserve funds (or account thereof) established in association with the Bonds, and (vi) an amount equal to the reasonably anticipated delinquent Special Taxes, based on the delinquency rate for Special Taxes in the prior Fiscal Year, less (vii) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

**"Minimum Taxable Acreage"** means the applicable Acreage classified as Taxable Property as determined pursuant to Section K.

**"Non-Residential Property"** means all Assessor's Parcels of Developed Property that is not Residential Property for which a building permit has been issued by the City, or another public agency in the event the City no longer issues permits for the construction of non-residential structures within CFD No. 1.

**"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 I.

**"Prepayment Amount"** means the amount required to prepay the Annual Special Tax obligation in full 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. 1 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/or redemption of Bonds.

**"Present Value of Taxes"** means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Maximum Annual Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as reasonably 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 the issuance of the first Series of Bonds or (ii) most recently published Bond Index prior to the issuance of the first Series of Bonds.

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

**"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.

**"Residential Property"** means all Assessor's Parcels of Developed Property for which a building permit has been issued for the construction of a Unit(s) by the City, or another public agency in the event the City no longer issues permits for the construction of Units within CFD No. 1, for the purposes of constructing one or more units.

**"School District"** means the Rio Elementary School District, or subsequent successor school district.

**"Special Tax"** means any of the special taxes authorized to be levied by CFD No. 1 pursuant to the Act.

**"Taxable Property"** means all Assessor's Parcels that are not classified as Exempt Property.

**"Undeveloped Property"** means all Assessor's Parcels of Taxable Property that are not Residential Property or Non-Residential Property.

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

**"Very Low Affordable Unit"** means any (i) Unit constructed within CFD No. 1 to satisfy Section 1.1 of the Development Agreement and which conforms with the "affordable housing cost" limitations, set forth in Health and Safety Code Section 50052.5(2) and (ii) any Apartment Unit constructed within CFD No. 1 to satisfy Section 1.1 of the Development Agreement and which conforms with the "affordable rent" limitations, set forth in Health and Safety Code Section 50053(b)(2) as evidence by the applicable deed restrictions, resale restrictions, and/or regulatory agreements.

**"Zone"** means the areas identified as a Zone of CFD No. 1 as in Exhibit A to this RMA.

**"Zone 1"** means all property located within the area identified as Zone 1 of CFD No. 1 as in Exhibit A and described in Exhibit B to this RMA.

**"Zone 2"** means all property located within the area identified as Zone 2 of CFD No. 1 as in Exhibit A and described in Exhibit B to this RMA.

**"Zone 3"** means all property located within the area identified as Zone 3 of CFD No. 1 as in Exhibit A and described in Exhibit B to this RMA.

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

Each Fiscal Year, beginning with Fiscal Year 2005-06, (i) each Assessor's Parcel shall be assigned to a Zone in accordance with Exhibit A and/or Exhibit B; (ii) each Assessor's Parcel shall be classified as Exempt Property or Taxable Property; (iii) each Assessor's Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property; and (iv) each Assessor's Parcel of Developed Property shall be classified as Residential Property or Non-Residential Property. Residential Property shall be further classified based upon Unit type (ie: Attached Unit, Detached Unit, Very Low Affordable Unit, Affordable Unit, High Density Unit A, High Density Unit D/F) and each Attached Unit and Detached Unit shall be classified by the Building Square Footage of such Unit. The classification of Exempt Property shall take into consideration the Minimum Taxable Acreage of each Zone as determined pursuant to Section K.

**SECTION C**  
**MAXIMUM ANNUAL SPECIAL TAXES**

**1. Residential Property**

The Maximum Annual Special Tax for each Assessor's Parcel classified as Residential Property within a particular Zone in any Fiscal Year shall be the amount determined by the greater of (i) the application of the applicable Assigned Annual Special Tax for such Zone, or (ii) the application of the Backup Annual Special Tax for such Zone.

**2. Non-Residential Property**

The Maximum Annual Special Tax for each Assessor's Parcel classified as Non-Residential Property within a particular Zone in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Annual Special Tax for such Zone, or (ii) the application of the Backup Annual Special Tax for such Zone.

**3. Undeveloped Property**

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

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

**1. Residential Property**

The Assigned Annual Special Tax applicable to an Assessor's Parcel classified as Residential Property shall be determined by reference to Tables 1, 2 and 3 according to the Zone within which the Assessor's Parcel is located, the Unit type, and the Building Square Footage of the Unit.

**TABLE 1**

**ASSIGNED ANNUAL SPECIAL TAX  
FOR RESIDENTIAL PROPERTY IN ZONE 1  
FISCAL YEAR 2005-06**

	<b>Building Square Footage</b>	
Attached Unit	< 1,400	\$1,294.00 per Unit
Attached Unit	1,400 – 1,699	\$1,341.83 per Unit
Attached Unit	1,700 – 1,999	\$1,533.13 per Unit
Attached Unit	2,000 – 2,199	\$1,786.60 per Unit
Attached Unit	≥ 2,200	\$1,977.90 per Unit
Detached Unit	< 1,750	\$1,676.13 per Unit
Detached Unit	1,750 – 2,099	\$1,999.41 per Unit
Detached Unit	2,100 – 2,299	\$2,195.01 per Unit
Detached Unit	2,300 – 2,799	\$2,456.13 per Unit
Detached Unit	≥ 2,800	\$2,843.50 per Unit
Very Low Affordable Unit	NA	\$374.69 per Unit
Affordable Unit	NA	\$650.24 per Unit
High Density Unit A	NA	\$743.79 per Unit
High Density Unit D/F	NA	\$867.11 per Unit

Each July 1, commencing July 1, 2006, the Assigned Annual Special Tax for each Assessor's Parcel of Residential Property within Zone 1 shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

**TABLE 2**  
**ASSIGNED ANNUAL SPECIAL TAX**  
**FOR RESIDENTIAL PROPERTY IN ZONE 2**  
**FISCAL YEAR 2005-06**

Unit Type	Building Square Footage	Assigned Annual Special Tax
Attached Unit	< 1,400	\$1,588.94 per Unit
Attached Unit	1,400 – 1,699	\$1,636.77 per Unit
Attached Unit	1,700 – 1,999	\$1,828.07 per Unit
Attached Unit	2,000 – 2,199	\$2,081.54 per Unit
Attached Unit	≥ 2,200	\$2,272.84 per Unit
Detached Unit	< 1,750	\$1,971.07 per Unit
Detached Unit	1,750 – 2,099	\$2,294.35 per Unit
Detached Unit	2,100 – 2,299	\$2,489.95 per Unit
Detached Unit	2,300 – 2,799	\$2,751.07 per Unit
Detached Unit	≥ 2,800	\$3,138.44 per Unit
Very Low Affordable Unit	NA	\$539.69 per Unit
Affordable Unit	NA	\$815.24 per Unit
High Density Unit A	NA	\$908.79 per Unit
High Density Unit D/F	NA	\$1,032.11 per Unit

Each July 1, commencing July 1, 2006, the Assigned Annual Special Tax for each Assessor's Parcel of Residential Property within Zone 2 shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

**TABLE 3**  
**ASSIGNED ANNUAL SPECIAL TAX**  
**FOR RESIDENTIAL PROPERTY IN ZONE 3**  
**FISCAL YEAR 2005-06**

Unit Type	Building Square Footage	Assigned Annual Special Tax
Attached Unit	< 1,400	\$1,294.00 per Unit
Attached Unit	1,400 – 1,699	\$1,341.83 per Unit
Attached Unit	1,700 – 1,999	\$1,533.13 per Unit
Attached Unit	2,000 – 2,199	\$1,786.60 per Unit
Attached Unit	≥ 2,200	\$1,977.90 per Unit
Detached Unit	< 1,750	\$1,676.13 per Unit
Detached Unit	1,750 – 2,099	\$1,999.41 per Unit
Detached Unit	2,100 – 2,299	\$2,195.01 per Unit
Detached Unit	2,300 – 2,799	\$2,456.13 per Unit
Detached Unit	≥ 2,800	\$2,843.50 per Unit
Very Low Affordable Unit	NA	\$374.69 per Unit
Affordable Unit	NA	\$650.24 per Unit
High Density Unit A	NA	\$743.79 per Unit
High Density Unit D/F	NA	\$867.11 per Unit

Each July 1, commencing July 1, 2006, the Assigned Annual Special Tax for each Assessor's Parcel of Residential Property within Zone 3 shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

**2. Non-Residential Property**

The Assigned Annual Special Tax rate for an Assessor's Parcel of Non-Residential Property within any Zone in Fiscal Year 2005-06 shall be \$0.76 per square foot of Floor Area.

Each July 1, commencing July 1, 2006, the Assigned Annual Special Tax per square foot of Floor Area shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

3. **Undeveloped Property**

The Assigned Annual Special Tax rate per acre of Acreage for an Assessor's Parcel of Undeveloped Property shall be determined by reference to Table 4 according to the Zone within which the Assessor's Parcel is located.

**TABLE 4**

**ASSIGNED ANNUAL SPECIAL TAX  
FOR UNDEVELOPED PROPERTY  
FISCAL YEAR 2005-06**

	<b>Assigned Annual Special Tax</b>
Zone 1	\$22,304.22 per Acre
Zone 2	\$26,415.36 per Acre
Zone 3	\$12,846.55 per Acre

Each July 1, commencing July 1, 2006, the Assigned Annual Special Tax per acre of Acreage for each Assessor's Parcel of Undeveloped Property within each Zone 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. The Backup Annual Special Tax per square foot of Acreage for an Assessor's Parcel of Developed Property shall be determined by reference to Table 5 according to the Zone within which the Assessor's Parcel is located.

**TABLE 5**

**BACKUP ANNUAL SPECIAL TAX  
FOR DEVELOPED PROPERTY  
FISCAL YEAR 2005-06**

	<b>Backup Annual Special Tax</b>
Zone 1	\$0.51 per sq.ft.
Zone 2	\$0.61 per sq.ft.
Zone 3	\$0.29 per sq.ft.



Each July 1, 2006, the Backup Annual Special Tax per square foot of Acreage for each Assessor's Parcel of Developed Property within each Zone 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 2005-06, 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 Residential 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 levy Proportionately an Annual Special Tax on each Assessor's Parcel of Non-Residential 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 levy Proportionately 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 Four: If the sum of the amounts collected in steps one, two and three is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Residential Property, up to the Maximum Annual Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.
- Step Five: If the sum of the amounts collected in steps one, two, three and four is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Non-Residential Property, up to the Maximum Annual Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.

## **SECTION G**

### **EXCESS ASSIGNED ANNUAL SPECIAL TAXES**

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

## **SECTION H**

### **PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor's Parcel of Undeveloped Property or an Assessor's Parcel of Developed Property for which a building permit has been issued for new construction 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 or Long Term Lessee of an Assessor's Parcel intending to prepay the Annual Special Tax obligation shall provide CFD No. 1 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 party 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 Assessor's 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. 1 that there has been a prepayment of the Annual Special Tax obligation as 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 the Annual Special Tax shall cease.

## SECTION I PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor's Parcel of Residential Property 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. The Annual Special Tax obligation of an Assessor's Parcel of Non-Residential Property may not be partially prepaid.

### 1. Partial Prepayment Times and Conditions

Prior to the conveyance of the first production Unit within Final Map to a Homeowner, the owner of no less than all the Taxable Property within such a Final 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 Map, as calculated in Section I.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected for all Assessor's Parcels prior to the conveyance of the first production Unit within such Final 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 H  
F = the percent by which the owner of the Assessor's Parcel is partially prepaying 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. 1 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 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 Assessor's Parcels that are expected to become Exempt Property.

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

Annual Special Taxes shall be levied for a period of thirty-five (35) Fiscal Years after the last series of Bonds has been issued, as determined by the Board, provided that Annual Special Taxes shall not be levied after Fiscal Year 2046-47.

## **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 used exclusively by a homeowners' association and (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property in a given Zone to less than the Minimum Taxable Acreage as shown in Table 6. 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 in a given Zone to less than the Minimum Taxable Acreage for such Zone. 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 in a given Zone will continue to be classified as Residential Property, Non-Residential Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly. In such a case that an Assessor's Parcel, not otherwise classified as Exempt Property, is acquired by the State of California, Federal or other local governments after the issuance of a building permit, or after the issuance of Bonds, whichever first occurs, shall continue to be subject to a Special Tax in accordance with Section B of the RMA.

**TABLE 6**

**MINIMUM TAXABLE ACREAGE**

	<b>Minimum Taxable Acreage</b>
Zone 1	74.97
Zone 2	90.63
Zone 3	61.67

**SECTION L  
APPEALS**

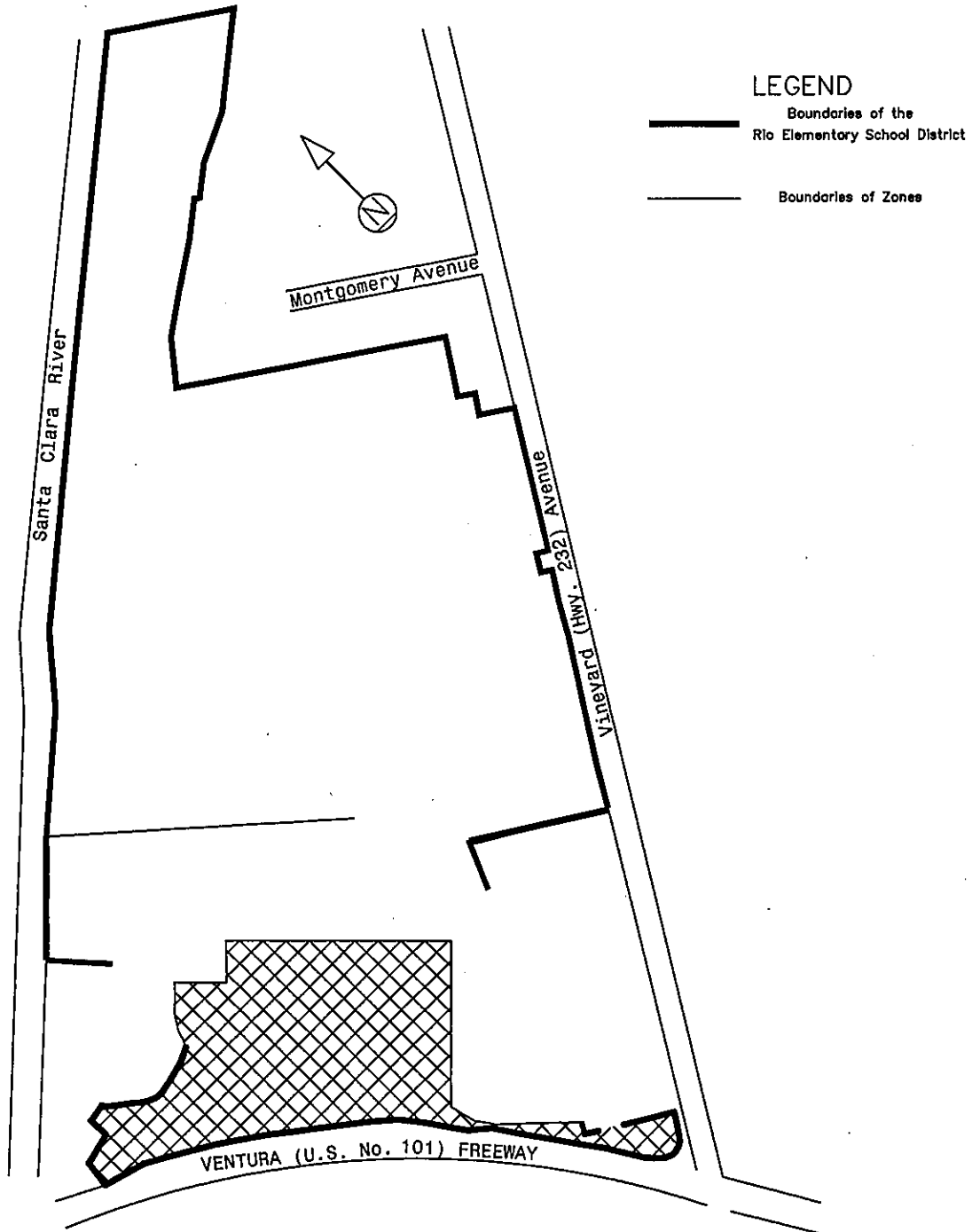
Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Board within six (6) months after having paid the first installment of the Special Tax that is disputed. In order to be considered sufficient, any notice of appeal 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. 1 shall promptly review such 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) at 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. 1 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

J:\CLIENTS\Rio School District\RiverPark 2004\IRMA\_ROI\_FINAL.doc

**EXHIBIT "A"**  
**MAP OF ZONES**  
**OF THE RIO ELEMENTARY SCHOOL DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 1**



**EXHIBIT "B"**  
**LEGAL DESCRIPTION OF**  
**RIO ELEMENTARY SCHOOL DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 1**

**ZONE 1**

Lots 3, 4, 5, 7, 8, 11, 12, 16, 17, 18, 19, 20, 22, 23, 24, 25, "A", "E", "F", "G", "H", "J", and a portion of Lot 21 of Tract No. 5352-1, in the City of Oxnard, County of Ventura, State of California, as shown on the map filed in Book 150, Pages 76 through 92, inclusive of Miscellaneous Records (Maps), in the office of the County Recorder of said County, and that portion of Parcel Map Waiver No. 6933, as shown in the document recorded as Instrument No. 86-175821 of Official Records, in the office of the County Recorder of said County described as a whole as follows:

Beginning at the most Westerly corner of Lot "I" of said Tract No. 5352-1; thence North 24°21'24" East 170.71 feet along the Northwesternly line of said Lot "I" and its Northeasterly prolongation to a point on the Southwesterly line of said Lot 21, said point being the beginning of a non-tangent curve concave Southwesterly having a radius of 905.00 feet, a radial of said curve to said point bears North 23°15'23" East; thence leaving said Northeasterly prolongation along said Southwesterly line and the Southeasterly line of said Lot 21, the following courses: Southeasterly 72.14 feet along said curve through a central angle of 4°34'02" to the beginning of a reverse curve concave Northerly having a radius of 17.00 feet, Southeasterly, Easterly, and Northeasterly 25.87 feet, North 30°37'16" East 80.13 feet to the beginning of a curve concave Southeasterly having a radius of 228.00 feet, Northeasterly 45.02 feet along said curve through a central angle of 11°18'50", and North 41°56'06" East 138.68 feet; thence leaving said Southeasterly line North 48°03'54" West 415.00 feet; thence South 41°56'06" West 7.50 feet; thence North 48°03'54" West 436.00 feet to the Northwesternly line of said Lot 21; thence along said Northwesternly line, the following courses: South 41°56'06" West 23.02 feet to the beginning of a curve concave Northwesternly having a radius of 228.00 feet, Southwesterly 57.96 feet along said curve through a central angle of 14°33'54", South 56°30'00" West 36.29 feet to the beginning of a curve concave Southeasterly having a radius of 12.00 feet, Southwesterly, Southerly and Southeasterly 17.54 feet through a central angle of 83°45'36" to the beginning of a reverse curve concave Southwesterly having a radius of 356.00 feet, and Southeasterly 82.69 feet along said curve through a central angle of 13°18'29" to the Northeasterly line of Parcel C of Parcel Map Waiver No. 6933, as shown on the document recorded as Instrument No. 86-175821 of said Official Records; thence leaving said Northwesternly line non-tangent along said Northeasterly line and the Northwesternly line of said Parcel C, the following courses: North 55°33'36" West 185.58 feet, North 48°19'11" West 2550.20 feet and South 46°34'27" West 19.24 feet to the most Northerly corner of said Lot 22; thence along the general Northwesternly line of said Tract No. 5352-1, the following courses: South 46°34'27" West 937.45 feet, South 43°25'15" East 596.08 feet to the beginning of a non-tangent curve concave Southeasterly having a radius of 546.00 feet, a radial of said curve to said point bears North 14°39'19" West, Southwesterly 274.02 feet along said curve through a central angle of 28°45'16", South 46°35'24" West 583.37 feet and South 35°49'59" East 554.28 feet to the Northwesternly line of Lot 6 of said Tract No. 5352-1 and to the beginning of a non-tangent curve concave Southeasterly having a radius of 450.00 feet,

**EXHIBIT "B"**  
**LEGAL DESCRIPTION OF**  
**RIO ELEMENTARY SCHOOL DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 1**  
**(CONT.)**

**ZONE 1**

a radial of said curve to said point bears North 65°25'10" West; thence leaving said Northwesternly line of said Tract No. 5352-1 along said Northwesternly line of Lot 6 and the Northeastly line of said Lot 6 and its Southeastly prolongation, the following courses; Northeastly 136.30 feet along said curve through a central angle of 17°21'16", North 41°56'06" East 289.38 feet and South 48°03'54" East 473.87 feet to the centerline of Oxnard Boulevard, 118.00 feet wide, as shown on the map of said Tract No. 5352-1; thence leaving said Southeastly prolongation along said centerline North 41°56'06" East 392.22 feet to the Northwesternly prolongation of the Northeastly line of Lot 10 of said Tract No. 5352-1; thence leaving said centerline along said Northwesternly prolongation of the Northeastly line of said Lot 10 and the general Northeastly lines of Lots 10 and 15 of said Tract 5352-1, the following courses: South 48°03'54" East 935.53 feet to the beginning of a non-tangent curve concave Northwesternly having a radius of 86.00 feet, a radial of said curve to said point bears North 48°03'54" West, Southwesterly 37.52 feet along said curve through a central angle of 25°00'00", South 66°56'06" West 9.34 feet to the beginning of a curve concave Northerly having a radius of 64.00 feet, Southwesterly, Southerly, Southeastly, Easterly and Northeastly 256.92 feet through a central angle of 230°00'00", North 16°56'06" East 9.34 feet to the beginning of a curve concave Southeastly having a radius of 86.00 feet, Northeastly 37.52 feet along said curve through a central angle of 25°00'00", non-tangent along said Northeastly line of Lot 15 and its Southeastly prolongation South 48°03'54" East 900.75 feet to the centerline of Myrtle avenue, 84.00 feet wide, as shown on the map of said Tract No. 5352-1; thence leaving said Southeastly prolongation along said centerline, the following courses: South 41°56'06" West 1233.62 feet to the beginning of a curve concave Easterly having a radius of 420.00 feet, Southwesterly, Southerly and Southeastly 544.84 feet along said curve through a central angle of 74°19'35", South 32°23'29" East 314.75 feet to the beginning of a curve concave Northeastly having a radius of 800.00 feet, Southeastly 346.80 feet along said curve through a central angle of 24°50'16" and South 57°13'45" East 83.53 feet to the Southeastly line of said Tract No. 5352-1; thence leaving said centerline along said Southeastly line North 24°21'24" East 2744.53 feet to the point of beginning.

Containing an area of 140.099 acres, more or less.

Subject to covenants, conditions, reservations, restrictions, rights of way and easements, if any, of record.



**EXHIBIT "B"**  
**LEGAL DESCRIPTION OF**  
**RIO ELEMENTARY SCHOOL DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 1**

**ZONE 2**

Parcel 1 of Parcel Map Waiver No. 932 (Lot Line Adjustment), in the City of Oxnard, County of Ventura, State of California, as shown in the document recorded as Instrument No. 99-076680 of Official Records, in the office of the County Recorder of said County, Parcel 1 of Parcel Map Waiver No. 713, in the City of Oxnard, County of Ventura, State of California, as shown in the document recorded as Instrument No. 94-021086 of Official Records, in the office of the County Recorder of said County, that portion of the land described in the Document recorded as Instrument No. 95-122785 of said Official Records, a portion of the Rancho Santa Clara Del Norte as shown on a map filed in Book A, Page 301 of Patents (transcribed Records from Santa Barbara County), in the office of the County Recorder of said County, and that portion of Tract No. 5352-1, in the City of Oxnard, County of Ventura, State of California, as shown on the map filed in Book 150, Pages 76 through 92, inclusive, of Miscellaneous Records, in the Office of the County Recorder of said County described as a whole as follows:

Beginning at the most Westerly corner of Lot "I" of said Tract No. 5352-1; thence North 24°21'24" East 170.71 feet along the Northwesterly line of said Lot "I" and its Northeasterly prolongation to a point on the Southwesterly line of said Lot 21, said point being the beginning of a non-tangent curve concave Southwesterly having a radius of 905.00 feet, a radial of said curve to said point bears North 23°15'23" East; thence leaving said Northeasterly prolongation along said Southwesterly line and the Southeasterly line of said Lot 21, the following courses: Southeasterly 72.14 feet along said curve through a central angle of 4°34'02" to the beginning of a reverse curve concave Northerly having a radius of 17.00 feet, Southeasterly, Easterly and Northeasterly 25.87 feet, North 30°37'16" East 80.13 feet to the beginning of a curve concave Southeasterly having a radius of 228.00 feet, Northeasterly 45.02 feet along said curve through a central angle of 11°18'50", and North 41°56'06" East 138.68 feet; thence leaving said Southeasterly line North 48°03'54" West 415.00 feet; thence South 41°56'06" West 7.50 feet; thence North 48°03'54" West 436.00 feet to the Northwesterly line of said Lot 21; thence along said Northwesterly line, the following courses: South 41°56'06" West 23.02 feet to the beginning of a curve concave Northwesterly having a radius of 228.00 feet, Southwesterly 57.96 feet along said curve through a central angle of 14°33'54", South 56°30'00" West 36.29 feet to the beginning of a curve concave Southeasterly having a radius of 12.00 feet, Southwesterly, Southerly and Southeasterly 17.54 feet through a central angle of 83°45'36" to the beginning of a reverse curve concave Southwesterly having a radius of 356.00 feet, and Southeasterly 82.69 feet along said curve through a central angle of 13°18'29" to the Northeasterly line of Parcel C of Parcel Map Waiver No. 6933, as shown on the document recorded as Instrument No. 86-175821 of said Official Records; thence leaving said Northwesterly line non-tangent along said Northeasterly line and Northwesterly line of said Parcel C, the following courses: North 55°33'36" West 185.58 feet, North 48°19'11" West 2550.20 feet; thence leaving said Northeasterly line of Parcel Map Waiver No. 6933 along the Northwesterly, Northeasterly and Southeasterly lines of said Parcel 1 of Parcel Map Waiver No. 932, the following courses:

**EXHIBIT "B"**  
**LEGAL DESCRIPTION OF**  
**RIO ELEMENTARY SCHOOL DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 1**  
**(CONT.)**

**ZONE 2**

North 46°34'27" East 1111.94 feet to the beginning of a curve concave Southeasterly having a radius of 9940.00 feet, Northeasterly 655.44 feet along said curve through a central angle of 3°46'41", North 50°21'08" East 5130.05 feet, South 55°11'46" East 1082.50 feet, South 51°50'22" West 879.50 feet, South 64°50'49" West 462.44 feet, South 52°20'57" West 302.86 feet, North 54°52'45" West 51.48 feet, South 52°19'40" West 336.64 feet, South 56°50'16" West 462.55 feet, South 55°21'47" West 396.41 feet, South 39°56'17" West 434.14 feet and South 55°05'51" East 74.61 feet to the most Northerly corner of Parcel 1 of said Parcel Map Waiver No. 713; thence leaving said Southeasterly line of said Parcel 1 of Parcel Map Waiver No. 932 along the Northeasterly and Southeasterly lines of said Parcel 1 of Parcel Map Waiver No. 713, the following courses: South 55°05'51" East 2255.07 feet and South 33°07'00" West 511.07 feet; thence leaving said Southeasterly line along the general Westerly line of Parcel 1 of the Parcel Map recorded in Book 10, Page 63 of Parcel Maps, in the office of said County Recorder of said County, the following courses: South 55°18'30" East 125.21 feet and South 33°07'00" West 199.31 feet to the Northeasterly line of the land described in the Deed recorded as Instrument No. 95-122785 of said Official Records; thence along said Northeasterly line and the Southeasterly line of said land, the following courses: South 55°14'40" East 299.96 feet, South 33°07'00" West 1001.37 feet, South 32°54'38" West 212.03 feet, North 57°50'22" West 86.00 feet and South 32°54'38" West 22.23 feet to the most Easterly corner of Lot 32 of said Tract No. 5352-1; thence leaving said Southeasterly line of said land along the Southeasterly and Southwesterly line of said Southeasterly line of said land along the Southeasterly and Southwesterly line of said Tract No. 5352-1, the following courses: South 32°54'38" West 152.77 feet, South 57°37'38" East 86.00 feet, South 32°54'38" West 2114.20 feet and North 57°58'57" West 1191.21 feet to the pint of beginning.

Containing an area of 430.171 acres, more or less.

Subject to covenants, conditions, reservations, restrictions, rights of way and easements, if any, of record.

**EXHIBIT "B"**  
**LEGAL DESCRIPTION OF**  
**RIO ELEMENTARY SCHOOL DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 1**

**ZONE 3**

Lots 1, 2, 6, 9, 10, 13, 14, 15, "B" and "D" of Tract No. 5352-1, in the City of Oxnard, County of Ventura, State of California, as shown on the map filed in Book 150, Pages 76 through 92, inclusive, of Miscellaneous Records (Maps), in the office of the County Recorder of said County, all the land described in Instrument No. 2001-0215425 of Official Records, in the office of the County Recorder of said County and portions of Lots 1 through 6, Block 1 and portions of Lots 1 through 12, Block 12 of the Map of Town of Colonia, in the City of Oxnard, County of Ventura, State of California, as shown on the map filed in Book 2, Page 157 of Miscellaneous Records (Maps), in the office of the County Recorder of said County.

Containing an area of 96.504 acres, more or less.

Subject to covenants, conditions, reservations, restrictions, rights of way and easements, if any, of record.

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX C

### **SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT**

*The following is a summary of selected provisions of the Fiscal Agent Agreement, as supplemented by the First Supplemental Fiscal Agent Agreement, the Second Supplemental Fiscal Agent Agreement, the Third Supplemental Fiscal Agent Agreement, and the Fourth Supplemental Fiscal Agent Agreement, which in some instances, may also be described elsewhere in this Official Statement. This summary does not purport to be comprehensive and reference should be made to the Fiscal Agent Agreement for a full and complete statement of its provisions. All capitalized terms not defined in this Official Statement have the meanings set forth in the Fiscal Agent Agreement.*

#### General

The Fiscal Agent Agreement (as defined below) sets forth the terms, the application of the proceeds of the sale of the Bonds, the nature and extent of the security for the Bonds, and the various rights of the Bondholders, and the rights, duties, and immunities of the Fiscal Agent.

#### Definitions

**Annual Debt Service** means for each Bond Year the aggregate amount of principal and interest becoming due and payable on all Bonds.

**Bond Reserve Requirement** means, as of any date of calculation, the least of (i) Maximum Annual Debt Service as of such date; (ii) 125% of average Annual Debt Service on all Bonds Outstanding as of such date; and (iii) 10% of the original principal amount of the Bonds. However, in the event of issuance of any Additional Series of Bonds, the amount deposited into the Bond Reserve Fund attributable to such Additional Series of Bonds may be increased, if necessary, but not to exceed the Maximum Annual Debt Service applicable to such Additional Series of Bonds.

**Bonds** means the Rio Elementary School District Community Facilities District No. 1 Special Tax Bonds authorized by, and at any time outstanding pursuant to, the Fiscal Agent Agreement and any Supplemental Fiscal Agent Agreement.

**Bond Year** means the period ending on September 1 of each year, with the first Bond Year ending on September 1, 2006, and the last Bond Year ending on the date on which none of the Bonds remain Outstanding.

**Board** means the Board of Trustees of the School District.

**CFD** means the Rio Elementary School District Community Facilities District No. 1, a community facilities district duly established within the geographical jurisdiction of the School District, pursuant to the Law.

**Corporate Trust Office** or corporate trust office means the corporate trust office of the Fiscal Agent at 550 South Hope Street, Suite 2875, Los Angeles, California 90071, Attention:

Corporate Trust Services- Rio Elementary School District, or such other or additional offices as may be designated by the Fiscal Agent.

**Costs of Issuance** means all items of expense directly or indirectly payable by or reimbursable to the School District and related to the original formation of the CFD and the authorization, execution, sale, and delivery of the Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, costs of printing and distribution of the preliminary and final official statements, filing and recording fees, initial fees and charges of the Fiscal Agent, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, if any, credit enhancement, if any, fees and charges for preparation, execution, transportation and safekeeping of Bonds, and any other cost, charge, or fee in connection with the original delivery of Bonds.

**Defeasance Securities** means the following:

(1) United States Treasury Certificates, Notes, and Bonds (including State and Local Government Series – “SLGS”).

(2) Direct obligations of the Treasury that have been stripped by the Treasury itself, CATS, TGRS, and similar securities.

(3) The interest component of Resolution Funding Corp. (REFCORP) strips that have been stripped by request to the Federal Reserve Bank of New York in book-entry form.

(4) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by Standard & Poor’s. If, however, the pre-refunded bonds are rated by Standard & Poor’s but are not rated by Moody’s, then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or Aaa-rated pre-refunded municipal bonds.

(5) Obligations issued or guaranteed by the following agencies that are backed by the full faith and credit of the U.S.:

- (A) U.S. Export-Import Bank (Eximbank)  
Direct obligations or fully guaranteed certificates of beneficial ownership
- (B) Farmers Home Administration (FmHA)  
Certificates of beneficial ownership
- (C) Federal Financing Bank
- (D) General Services Administration  
Participation certificates
- (E) U.S. Maritime Administration  
Guaranteed Title XI financing

- (F) U.S. Department of Housing and Urban Development (HUD)  
Project Notes  
Local Authority Bonds  
New Communities Debentures (U.S. government guaranteed debentures)  
U.S. Public Housing Notes and Bonds (U.S. government guaranteed public housing notes and bonds)

**Facilities** means those public facilities as described in Resolution No. 0405-25 establishing the CFD and adopted by the Board on May 3, 2005.

**First Supplemental Fiscal Agent Agreement** means the First Supplemental Fiscal Agent Agreement dated November 1, 2013, by and between the Fiscal Agent and the School District for and on behalf of the CFD.

**Fiscal Agent Agreement** means the Fiscal Agent Agreement dated November 1, 2005, by and between the Fiscal Agent and the School District for and on behalf of the CFD, as originally executed, the First Supplemental Fiscal Agent Agreement, the Second Supplemental Fiscal Agent Agreement, the Third Supplemental Fiscal Agent Agreement, and the Fourth Supplemental Fiscal Agent Agreement.

**Fiscal Year** means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other twelve-month period hereafter selected and designated as the official fiscal year period of the School District.

**Fourth Supplemental Fiscal Agent Agreement** means the Fourth Supplemental Fiscal Agent Agreement dated October 1, 2019, by and between the Fiscal Agent and the School District for and on behalf of the CFD.

**Maximum Annual Debt Service** shall mean the greatest amount of principal and interest becoming due and payable on all Bonds in any Bond Year including the Bond Year in which the calculation is made or any subsequent Bond Year.

**Moody's** means Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the School District and approved by the Fiscal Agent.

**Owner** or **Bondholder** or Bondowner, whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered.

**Permitted Investments** means:

- (1) Federal Securities; and
- (2) Bonds, debentures, notes or other evidence issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit

of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- (A) Federal Financing Bank
- (B) Federal Housing Administration Debentures
- (C) Government National Mortgage Association (GNMA)  
GNMA – Guaranteed Mortgage-backed Bonds  
GNMA – Guaranteed Pass-through Obligations
- (D) U.S. Maritime Administration  
Guaranteed Title XI financing
- (E) U.S. Department of Housing and Urban Development  
Project Notes  
Local Authority Bonds  
New Communities Debentures (U.S. government guaranteed debentures)  
U.S. Public Housing Notes and Bonds (U.S. government guaranteed public housing notes and bonds);

(3) Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- (1) Federal Home Loan Bank System  
Senior debt obligations
- (2) Federal Home Loan Mortgage Corporation  
Participation Certificates  
Senior debt obligations
- (3) Federal National Mortgage Association  
Mortgage-backed securities and senior debt obligations
- (4) Student Loan Marketing Association  
Senior debt obligations
- (5) Resolution Funding Corporation (REFCORP) obligations
- (6) Farm Credit System  
Consolidated system-wide bonds and notes;

(4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor's of "AAAm-G," "AAA-m" or "AA-m" and, if rated by Moody's, rated "Aaa," "Aa1" or "Aa2" by Moody's, including funds for which the Fiscal Agent or any of its affiliates provides investment management services;



(5) Certificates of deposit secured at all times by collateral described in clauses (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Fiscal Agent on behalf of the Owners of the Bonds must have a perfected first security interest in the collateral;

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF;

(7) Investment agreements with domestic or foreign banks or corporations the long-term debt or claims paying ability of which or, in the case of a guaranteed corporation, the long-term debt, or, in the case of a monoline financial guaranty insurance company, the financial strength, of the guarantor is rated in at least the double A category by Standard & Poor's and Moody's; provided that, by the terms of the investment agreement:

(A) interest payments are to be made to the Fiscal Agent at times and in amounts as necessary to pay debt service on the Bonds;

(B) the invested funds are available for withdrawal without penalty or premium at any time upon not more than seven (7) days' prior notice;

(C) the investment agreement shall provide that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(D) the School District and the Fiscal Agent receive the opinion of domestic counsel (which opinion shall be addressed to the School District) that such investment agreement is legal, valid, binding upon and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the School District;

(E) the investment agreement shall provide that if during its term

(i) the provider's rating by either Standard & Poor's or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with the applicable state and federal laws (other than by means of entries on the provider's books) to the Fiscal Agent or third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims, the market value of which collateral is maintained and levels and upon such conditions as would be acceptable to Standard & Poor's and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) assign the investment agreement and all of its obligations thereunder to a financial institution mutually acceptable to the provider, the School District and the Fiscal Agent which is rated either in the first or second highest category by Standard & Poor's and Moody's; and

(ii) the provider's rating by either Standard & Poor's or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the School District or the Fiscal Agent, within ten (10) days of receipt of such

direction, repay the principal of and accrued but unpaid interest on the invested funds, in either case with no penalty or premium to the Fiscal Agent; and

(F) the investment agreement shall provide and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this shall mean the Holder of the Collateral is in possession of such collateral); and

(G) the investment agreement shall provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the School District or the Fiscal Agent, be accelerated and amounts invested and accrued but unpaid interest thereon shall be paid to the School District or the Fiscal Agent, as appropriate; and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be paid to the School District or the Fiscal Agent, as appropriate;

(8) Commercial paper rated, at the time of purchase, "Prime – 1" by Moody's or "A-1" or better by Standard & Poor's;

(9) Bonds or notes issued by any state or municipality which are rated by Moody's or Standard & Poor's in one of the two highest rating categories assigned by them;

(10) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime – 1" or "A3" or better by Moody's and "A-1" or better by Standard & Poor's;

(11) Repurchase agreements which satisfy the following criteria:

(A) Repurchase agreements must be between the Fiscal Agent and a dealer bank or securities firm which is:

(i) A primary dealer on the Federal Reserve reporting dealer list which is rated "A" or better by Standard & Poor's or Moody's, or

(ii) A bank rated "A" or above by Standard & Poor's or Moody's;

(B) The written agreement must include the following:

(i) Securities which are acceptable for transfer are:

(a) direct obligations of the United States government, or

(b) obligations of federal agencies backed by the full faith and credit of the United State of America (or the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC)),

(ii) The collateral must be delivered to the Fiscal Agent or a third party acting as custodian for the Fiscal Agent before or simultaneous with payment (perfection by possession of certificated securities.

(iii) (a) The securities must be valued weekly, marked-to-market at current market price plus accrued interest, and

(b) The value of the collateral must be at least equal to one hundred four percent (104%) of the amount of money transferred by the Fiscal Agent to the dealer, bank or securities firm under the agreement plus accrued interest. If the value of the securities held as collateral is reduced below one hundred four percent (104%) of the value of the amount of money transferred by the Fiscal Agent, then additional acceptable securities and/or cash must be provided as collateral to bring the value of the collateral to one hundred four percent (104%); provided, however, that if the securities used as collateral are those of FNMA or FHLMC, then the value of the collateral must be equal to one hundred five percent (105%) of the amount of money transferred by the Fiscal Agent; and

(iv) A legal opinion must be delivered to the School District and the Fiscal Agent that the repurchase agreement meets the requirements of California law with respect of the investment of public funds; and

(C) The Local Agency Investment Fund in the State Treasury of the State of California as permitted by the State Treasurer pursuant to Section 16429.1 of the California Government Code.

**Person** means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**Rate and Method of Apportionment** means the rate, method of apportionment, and manner of collection of the Special Taxes included as Exhibit B to Resolution No. 0405-25 adopted by the Board on May 3, 2005, establishing the CFD, as the same may be amended from time to time in accordance with the Law.

**Redemption Price** means, with respect to any Bond (or portion thereof) the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and the Fiscal Agent Agreement.

**School District** means the Rio Elementary School District, a school district duly organized and existing under the Constitution and laws of the State, and which is acting solely for and on behalf of the CFD.

**Second Supplemental Fiscal Agent Agreement** means the Second Supplemental Fiscal Agent Agreement dated December 1, 2014, by and between the Fiscal Agent and the School District for and on behalf of the CFD.

**Series**, whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption, and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

**Standard & Poor's** means S&P Global Ratings, and its successors and assigns, except that if such rating agency shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the School District.

**Supplemental Fiscal Agent Agreement** means any fiscal agent agreement hereafter duly executed and delivered, supplementing, modifying, or amending the Fiscal Agent Agreement, but only if and to the extent that such Supplemental Fiscal Agent Agreement is specifically authorized hereunder.

**Taxable Property** means all property described by the definition of the term "Taxable Property" in the Rate and Method of Apportionment.

**Third Supplemental Fiscal Agent Agreement** means the Third Supplemental Fiscal Agent Agreement dated June 1, 2016, by and between the Fiscal Agent and the School District for and on behalf of the CFD.

#### Creation of Funds and Accounts

The Fiscal Agent Agreement provides for the establishment of the following funds and accounts, all of which, except the Administrative Expense Fund and the Surplus Fund, are to be held and administered by the Fiscal Agent:

*Acquisition Fund.* The costs of acquiring and constructing the Facilities will be paid for by the funds deposited in the Acquisition Fund. Upon acquisition of all the Facilities, the Fiscal Agent will transfer any amounts remaining in the Acquisition Fund to the Special Tax Fund.

*Costs of Issuance Fund.* The Costs of Issuance of the Bonds will be paid for by funds deposited in the Costs of Issuance Fund. At the end of six months from the date of issuance of the 2019 Refunding Bonds (or earlier if determined by the School District) the School District shall transfer any remaining amounts in such fund to the Acquisition Fund.

*Furniture, Fixtures and Equipment Fund.* The costs of acquiring the furniture, fixtures and equipment will be paid for by the funds deposited in the Furniture, Fixtures, and Equipment Fund. Upon acquisition of all the furniture, fixtures and equipment, the Fiscal Agent will transfer any amounts remaining in the Furniture, Fixtures and Equipment Fund to the Acquisition Fund.

*School District Support Facility Fund.* The costs of acquiring certain authorized Facilities will be paid for by the funds deposited in the School District Support Facility Fund. Upon acquisition of all authorized Facilities, the Fiscal Agent will transfer any amounts remaining in the School District Support Facility Fund to the Acquisition Fund.

*Special Tax Fund.* The Net Special Tax Revenues are transferred by the School District to the Fiscal Agent for deposit in the Special Tax Fund. All money in the Special Tax Fund shall be allocated to the Interest Fund and the Principal Fund for the payment of the Bonds, to the Bond Reserve Fund to replenish that fund to the Bond Reserve Requirement, and then to the Surplus Fund.

*Interest Fund.* The money in the Interest Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of paying interest on the Bonds as it shall become due and payable.

*Principal Fund.* The money in the Principal Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of paying principal on the Bonds as it shall become due and payable.

*Special Tax Securities Fund.* All amounts in the Special Tax Securities Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making up certain shortfalls in the Special Tax Fund.

*Bond Reserve Fund.* All amounts in the Bond Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making up deficiencies in the Interest Fund and the Principal Fund.

*Prepayment Fund.* All moneys representing prepaid Special Taxes that are deposited by the School District with the Fiscal Agent shall be deposited in the Prepayment Fund. Such funds shall be used solely for the purpose of redeeming Bonds in the manner specified in the Fiscal Agent Agreement.

*Surplus Fund.* All money in the Surplus Fund shall be used by the School District solely for the payment of costs of the Facilities for the benefit of the CFD.

*Administrative Expense Fund.* All money in the Administrative Expense Fund shall be used by the School District solely for the payment of costs of administering the CFD.

#### Investment of Funds.

All moneys in any of the funds and accounts held by the Fiscal Agent and established pursuant to the Fiscal Agent Agreement shall be invested solely as directed by the School District, solely in Permitted Investments. Moneys in the Bond Reserve Fund shall be invested in Permitted Investments maturing or available on demand within ten years of the date of such investment. Moneys in the remaining funds and accounts shall be invested in Permitted Investments maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Fiscal Agent. Interest earnings and profits resulting from investment of moneys in: (1) the Rebate Fund shall be deposited in the Rebate Fund, except as

otherwise directed by the School District; (2) the Costs of Issuance Fund, the Acquisition Fund, the Capitalized Interest Account shall be deposited when received into the Acquisition Fund, and (3) all other funds and accounts shall be deposited therein.

#### Other Obligations Secured by Net Special Tax Revenues

The School District may not, so long as any of the Bonds are Outstanding, issue any obligations or securities, howsoever denominated, payable in whole or in part from Net Special Tax Revenues except the following:

The 2014 Refunding Bonds, Series 2016 Bonds, 2019 Refunding Bonds, and Additional Series of Bonds (issued for the purpose of redeeming any Outstanding Bonds) of any Series authorized in compliance with the provisions of the Fiscal Agent Agreement for the issuance of Additional Series of Bonds.

#### Principal and Interest Payments

The principal or Redemption Price of the 2019 Refunding Bonds shall be payable to the Owner thereof upon surrender thereof in lawful money of the United States of America at the Corporate Trust Office. Interest on the 2019 Refunding Bonds shall be payable by check mailed by first class mail on each Interest Payment Date or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds who has provided the Fiscal Agent with wire transfer instructions on or before the applicable Regular Record Date, by wire transfer on each Interest Payment Date to the Owner thereof as of the close of business on the Regular Record Date. The Regular Record Date for the 2019 Refunding Bonds shall be the fifteenth (15th) day of the calendar month immediately preceding the relevant Interest Payment Date.

#### Persons Deemed Owners

The School District and the Fiscal Agent will treat the Person in whose name any Bond is registered, as shown on the registration books kept by the Fiscal Agent, as the person exclusively entitled to payment of principal, premium, if any, and interest on the Bond and to the exercise of all other rights and powers of the owner, except that all interest payments will be made to the Owner registered as of the Record Date.

#### Events of Default and Remedies

*Events of Default.* The following events shall be Events of Default:

*Principal Payment Default.* Default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, or default in the redemption from any Sinking Account of any Bonds in the amounts and at the times provided therefor;

*Interest Payment Default.* Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable; and

*Covenant Default.* Failure by the School District to observe or perform any other covenant, condition, agreement, or provision in the Fiscal Agent Agreement on its part to be observed or performed, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, has been given to the School District; except that, if such failure can be remedied but not within such 60 day period and if the School District has taken all action reasonably possible to remedy such failure within such 60 day period, such failure shall not become an Event of Default for so long as the School District shall diligently proceed to remedy same.

*Remedies.* Upon the occurrence and continuance of an Event of Default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

*Mandamus.* By mandamus or other action, suit, or proceeding at law or in equity to enforce the Owners' rights against the Board or the School District or any of the officers or employees of the School District, and to compel the Board or the School District or any such officers or employees to perform and carry out their duties under the Law and the agreements and covenants with the Owners contained in the Fiscal Agent Agreement;

*Injunction.* By suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Owners; or

*Accounting.* By suit in equity upon the nonpayment of the Bonds to require the Board or the School District or its officers and employees to account as the trustee of an express trust.

#### Modification or Amendment of the Fiscal Agent Agreement

Supplemental Fiscal Agent Agreements without Consent of Owners. The Fiscal Agent Agreement and the rights and obligations of the School District, of the Fiscal Agent, and of the Owners may be modified or amended from time to time and at any time by a Supplemental Fiscal Agent Agreement, which the School District may adopt without the consent of any Owners but only to the extent permitted by law and only for any one or more of the following purposes:

*Additional Security.* to add to the covenants and agreements of the School District contained in the Fiscal Agent Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved to or conferred upon the School District in the Fiscal Agent Agreement;

*Curative Provisions.* to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Fiscal Agent Agreement, or in regard to matters or questions arising under the Fiscal Agent Agreement, as the School District may deem necessary or desirable, and that shall not materially and adversely affect the interests of the Owners of the Bonds;

*Trust Indenture Act Qualification.* to modify, amend, or supplement the Fiscal Agent Agreement in such manner as to permit the qualification hereof under the Trust Indenture

Act of 1939, as amended, or any similar federal statute, and to add such other terms, conditions, and provisions as may be permitted by said act or similar federal statute, and that shall not materially and adversely affect the interests of the Owners of the Bonds;

*Additional Series.* to create any Series of Bonds (other than the 2014 Refunding Bonds, Series 2016 Bonds, and the 2019 Refunding Bonds) and make such other provisions in accordance with the provisions of the Fiscal Agent Agreement for the issuance of Additional Series of Bonds;

*Book-Entry System.* to provide for the issuance of Bonds in book-entry form, provided that no such provision shall materially and adversely affect the interests of the Owners of the Bonds;

*Notice of Redemption.* to modify or add to the procedures providing for the notice in the event of redemption of the Bonds in order to comply with regulations promulgated by the United States Securities and Exchange Commission;

*Accommodation of Credit Enhancement.* to make modifications or adjustments necessary, appropriate, or desirable to accommodate credit enhancements;

*Preservation of Tax Exemption.* to make such provisions as are necessary or appropriate to ensure the exclusion of interest on the Bonds from gross income for purposes of federal income taxation; and

*No Material Effect.* for any other purpose that does not materially and adversely affect the interests of the Owners of the Bonds.

Supplemental Fiscal Agent Agreements with Consent of Owners or Credit Providers. The Fiscal Agent Agreement and the rights and obligations of the School District, the Owners of the Bonds, and the Fiscal Agent may be modified or amended from time to time and at any time by a Supplemental Fiscal Agent Agreement, which the School District and the Fiscal Agent may enter into with the written consent of the Owners of a majority in aggregate principal amount of the Bonds; provided that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding.

The Fiscal Agent Agreement and the rights and obligations of the School District and of the Owners of the Bonds and of the Fiscal Agent may also be modified or amended at any time by a Supplemental Fiscal Agent Agreement entered into by the School District and the Fiscal Agent, which shall become binding when the written consents of each provider of a letter of credit or a policy of bond insurance for the Bonds shall have been filed with the Fiscal Agent, provided that at such time the payment of all the principal of and interest on all Outstanding Bonds shall be insured by a policy or policies of municipal bond insurance or payable under a letter of credit the provider of which shall be a financial institution or association having unsecured debt obligations rated, or insuring or securing other debt obligations rated on the basis of such insurance or letters of credit, in one of the two highest Rating Categories of Moody's or Standard & Poor's.



No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or mandatory redemption of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owners of the Bonds so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Net Special Tax Revenues, any prepaid Special Taxes, and other assets pledged under the Fiscal Agent Agreement superior to or on a parity with the lien created by the Fiscal Agent Agreement, or deprive the Owners of the Bonds of the lien created by the Fiscal Agent Agreement on such Net Special Tax Revenues, any prepaid Special Taxes, and assets (in each case, except as expressly provided in the Fiscal Agent Agreement), without the consent of the Owners of all of the Bonds then Outstanding.

### Defeasance

*Discharge of Fiscal Agent Agreement.* Bonds of any Series may be paid by the School District in any of the following ways:

*Payment When Due:* by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;

*Deposit of Money or Securities:* by depositing with the Fiscal Agent, an escrow agent or other fiduciary, in trust, at or before maturity, money or Defeasance Securities in the necessary amount to pay or redeem such Bonds; or

*Delivery of Bonds for Cancellation:* by delivering such Bonds to the Fiscal Agent for cancellation.

If the School District shall pay all Bonds Outstanding and also pay or cause to be paid all other sums payable under the Fiscal Agent Agreement by the School District, including, without limitation, any compensation due and owing to the Fiscal Agent, then and in that case, at the election of the School District, evidenced by a certificate of the School District filed with the Fiscal Agent signifying the intention of the School District to discharge all such indebtedness and the Fiscal Agent Agreement, and notwithstanding that any Bonds shall not have been surrendered for payment, the Fiscal Agent Agreement, the pledge of Net Special Tax Revenues, any prepaid Special Taxes, and other assets made under the Fiscal Agent Agreement, all covenants and agreements and other obligations of the School District under the Fiscal Agent Agreement, and the rights and interests created (except as to any surviving rights of transfer or exchange of Bonds and rights to payment from moneys deposited with the Fiscal Agent for the discharge of liability on Bonds, as described below) shall cease, terminate, become void, and be completely discharged and satisfied.

*Discharge of Liability on Bonds.* Upon the deposit with the Fiscal Agent, escrow agent or other fiduciary, in trust, at or before maturity, of money or Defeasance Securities in the necessary amount to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as required under the Fiscal Agent

Agreement or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then all liability of the School District in respect of such Bond shall cease, terminate, and be completely discharged, except that thereafter (i) the Owner shall be entitled to payment of the principal of and premium, if any, and interest on such Bond by the School District and the School District shall remain liable for such payment, but only out of such money or securities deposited with the Fiscal Agent as aforesaid for their payment and (ii) the Owner shall retain its rights of transfer or exchange of Bonds.

#### Municipal Bond Insurance and Reserve Policy

The scheduled payment of principal of and interest represented by the 2019 Refunding Bonds maturing on September 1, 2020, through September 1, 2039 (the “Insured Bonds”) when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2019 Refunding Bonds by Build America Mutual Assurance Company (the “Insurer”). So long as the Insurance Policy issued by the Insurer is in effect and the Insurer is not in default with respect to its payment obligations thereunder, the provisions set forth in the Fiscal Agent Agreement shall be in effect with respect to the Insured Bonds.

The School District will deposit the Reserve Policy into the Bond Reserve Fund in order to satisfy the portion of the Bond Reserve Requirement attributable to the 2019 Refunding Bonds. Thereafter, deposits will be made as necessary to replenish the Bond Reserve Fund as provided in the Fiscal Agent Agreement. The Reserve Policy will not be available for the payment of debt service on any Bonds other than the 2019 Refunding Bonds. So long as the Reserve Policy issued by the Insurer is in effect and the Insurer is not in default with respect to its payment obligations thereunder, the provisions set forth in the Fiscal Agent Agreement shall be in effect.

## APPENDIX D

### DTC AND THE BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the 2019 Refunding Bonds, payment of principal, interest and other payments on the 2019 Refunding Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the 2019 Refunding Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the issuer of the 2019 Refunding Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the 2019 Refunding Bonds (the "Agent") take any responsibility for the information contained in this Appendix.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2019 Refunding Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2019 Refunding Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2019 Refunding Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Paying Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **APPENDIX E**

### **FORM OF ISSUER CONTINUING DISCLOSURE CERTIFICATE**

**\$25,345,000**

**RIO ELEMENTARY SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1  
2019 SPECIAL TAX REFUNDING BONDS  
(Federally Taxable)**

### **CONTINUING DISCLOSURE CERTIFICATE**

Dated: [CLOSING DATE]

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Rio Elementary School District (the “School District”) in connection with the issuance of the above-referenced bonds (the “2019 Refunding Bonds”). The 2019 Refunding Bonds are being issued pursuant to a Fiscal Agent Agreement dated November 1, 2005, as supplemented by a First Supplemental Fiscal Agent Agreement dated November 1, 2013, a Second Supplemental Fiscal Agent Agreement dated December 1, 2014, a Third Supplemental Fiscal Agent Agreement dated June 1, 2016, and a Fourth Supplemental Fiscal Agent Agreement dated September 1, 2019 (collectively, the “Fiscal Agent Agreement”), each by and between the School District, for and on behalf of the Rio Elementary School District Community Facilities District No. 1 (the “Community Facilities District”), and Zions Bancorporation, National Association, as successor in interest to Zions First National Bank, as fiscal agent (the “Fiscal Agent”). The School District hereby covenants and agrees as follows:

**Section 1**     **Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the School District for the benefit of the holders and beneficial owners of the 2019 Refunding Bonds, and to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

**Section 2**     **Definitions.** In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

**Annual Report** means any report provided by the School District pursuant to, and as described in, Sections 3 (Provision of Annual Reports) and 4 (Content of Annual Reports) of this Disclosure Certificate.

**Annual Report Date** means the date that is nine months after the end of the School District’s Fiscal Year (currently March 31, based on the School District’s Fiscal Year end of June 30).

**Beneficial Owner** means any person that (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2019 Refunding Bonds (including persons holding 2019 Refunding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any 2019 Refunding Bonds for federal income tax purposes.

**Bondholders** means either the registered owners of the 2019 Refunding Bonds, or, if the 2019 Refunding Bonds are registered in the name of The Depository Trust Company or another recognized depository, any Beneficial Owner or applicable participant in its depository system.

**Dissemination Agent** means DTA, Inc. or any successor Dissemination Agent designated in writing by the School District and which has filed with the School District a written acceptance of such designation.

**EMMA or Electronic Municipal Market Access** means the centralized online repository for documents filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

**Financial Obligation** means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

**Listed Events** means any of the events listed in subsection (a) of Section 5 (Reporting of Significant Events) of this Disclosure Certificate.

**MSRB** means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information, which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

**Official Statement** means the final Official Statement dated [OS DATE], executed by the School District in connection with the issuance of the 2019 Refunding Bonds.

**Opinion of Bond Counsel** means a written opinion of a law firm or attorney experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes.

**Participating Underwriter** means Raymond James & Associates, Inc., the original underwriter of the 2019 Refunding Bonds required to comply with the Rule in connection with offering of the Bonds.



**Repository** means MSRB or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

**Rule** means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**State** means the State of California.

### **Section 3**      **Provision of Annual Reports.**

a.      Delivery of Annual Report to Repository. The School District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2020, with the report for 2018-2019, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 (Content of Annual Reports) of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the School District shall provide the Annual Report to the Dissemination Agent (if other than the School District). If by the Annual Report Date the Dissemination Agent (if other than the School District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the School District to determine if the School District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 (Content of Annual Reports) of this Disclosure Certificate; provided that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the School District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c) of the Disclosure Statement.

b.      If the School District does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide in a timely manner, to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

c.      The Dissemination Agent shall:

(1)      determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2)      if the Dissemination Agent is other than the School District, file a report with the School District and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

**Section 4**      **Content of Annual Reports.** The School District's Annual Report shall contain or include by reference the following:

a. The School District's audited financial statements for the most recently completed Fiscal Year, prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, together with the following statement:

THE SCHOOL DISTRICT'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES AND EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE COMMUNITY FACILITIES DISTRICT OR THE SCHOOL DISTRICT, OTHER THAN SPECIAL TAX REVENUES, ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE 2019 REFUNDING BONDS, AND NEITHER THE COMMUNITY FACILITIES DISTRICT NOR THE SCHOOL DISTRICT IS OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE COMMUNITY FACILITIES DISTRICT OR THE SCHOOL DISTRICT IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE 2019 REFUNDING BONDS.

b. To the extent not included in the audited financial statements, the following information:

(1) An update to Table 1B in the Official Statement showing total assessed value (per the Ventura County Assessor's records) of all parcels currently subject to the Special Tax within the Community Facilities District, including a breakdown showing the total assessed valuation for all land and the total assessed valuation for all improvements within the Community Facilities District and distinguishing between the assessed value of improved and unimproved parcels. Parcels are considered improved if there is an assessed value for the improvements in the Assessor's records.

(2) An update to Table 2 in the Official Statement showing the assessed values and value to debt ratios by land use classification using the current fiscal year's County Assessor's roll.

(3) An update to Table 5 in the Official Statement showing the total dollar amount of delinquencies, if any, in the Community Facilities District as of August 1 of the prior calendar year and, if the total delinquencies within the Community Facilities District as of August 1 in the prior calendar year exceed 5% of the Special Tax for the previous Fiscal Year, delinquency information for each parcel responsible for more than \$5,000 in the payment of Special Tax, amounts of delinquencies, length of delinquency and status of any foreclosure actions regarding each such parcel.

(4) An update to Table 6B in the Official Statement showing the assigned Special Tax levy by tax class for the current fiscal year.

(5) The amount of prepayments of the Special Tax for the prior Fiscal Year.

(6) A land ownership summary listing property owners responsible for more than 5% of the annual Special Tax levy, as shown on the Ventura County Assessor's last equalized tax roll prior to the September next preceding the Annual Report Date.

(7) The principal amount of the 2019 Refunding Bonds outstanding and the balance in the 2019 Reserve Fund (along with a statement of the 2019 Reserve Fund Reserve Requirement) and any other funds and accounts established under the Fiscal Agent Agreement as of a date less than 90 days next preceding the Annual Report Date, including the issuance date and principal amount of any additional bonds or obligations issued under the Fiscal Agent Agreement on a parity with the 2019 Refunding Bonds.

(8) Any changes to the Rate and Method of Apportionment of Special Tax for the Community Facilities District set forth in Appendix B to the Official Statement.

(9) A copy of the most recent annual information required to be filed by the School District with the California Debt and Investment Advisory Commission pursuant to the Act and relating generally to outstanding Community Facilities District bond amounts, fund balances, assessed values, special tax delinquencies and foreclosure information.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the School District or related public entities that have been submitted to each of the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The School District shall clearly identify each such other document so included by reference.

c. In addition to any of the information expressly required to be provided under paragraph 4(b) above, the School District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

d. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the School District or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The School District shall clearly identify each such other document so included by reference.

## **Section 5      Reporting of Significant Events.**

a. Significant Events. Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2019 Refunding Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2019 Refunding Bonds, or other material events affecting the tax status of the 2019 Refunding Bonds;
- (7) modifications to rights of Bondholders, if material;
- (8) Bond calls, if material;
- (9) tender offers;
- (10) defeasances;
- (11) release, substitution, or sale of property securing repayment of the 2019 Refunding Bonds, if material;
- (12) rating changes;
- (13) bankruptcy, insolvency, receivership or similar event of the School District;
- (14) the consummation of a merger, consolidation, or acquisition involving the School District or the Community Facilities District, or the sale of all or substantially all of the assets of the School District or the Community Facilities District (other than in the ordinary course of business), or entry into or termination of a definitive agreement relating to the foregoing, if material;
- (15) appointment of a successor or additional trustee or Fiscal Agent, or the change of name of the trustee or Fiscal Agent, if material
- (16) incurrence of a Financial Obligation of the School District or Community Facilities District, if material, or agreement to covenant, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the School District or Community Facilities District, any of which affect Bondholders, if material;
- (17) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the School District or Community Facilities District, any of which reflect financial difficulties.

b. Upon the occurrence of a Listed Event, the School District shall, or shall cause the Dissemination Agent (if not the School District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected 2019 Refunding Bonds under the Fiscal Agent Agreement;

c. The School District acknowledges that the events described in subsections (a)(2), (7), (8), (11), (14), (15), and (16) of this Section 5 contain the qualifier “if material” and that subsection (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the 2019 Refunding Bonds. The School

District shall cause a notice to be filed as set forth in subsection (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Upon occurrence of any of these Listed Events, the School District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the School District will cause a notice to be filed as set forth in subsection (b) above.

For purposes of this Disclosure Certificate, any event described in subsection (a)(13) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the School District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

**Section 6**     **Identifying Information for Filings with MSRB.** All documents provided to MSRB under this Disclosure Certificate shall be filed in a readable PDF or other electronic format as prescribed by MSRB and shall be accompanied by identifying information as prescribed by MSRB.

**Section 7**     **Termination of Reporting Obligation.** The School District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the 2019 Refunding Bonds. If such termination occurs prior to the final maturity of the 2019 Refunding Bonds, the School District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

**Section 8**     **Dissemination Agent.** The School District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be DTA, Inc.

**Section 9**     **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a.     if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the 2019 Refunding Bonds, or type of business conducted;

b.     the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the

Rule at the time of the primary offering of the 2019 Refunding Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c. the proposed amendment or waiver either (i) is approved by holders of the 2019 Refunding Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of a nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the 2019 Refunding Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the School District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

**Section 10 Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the School District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the School District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 11 Default.** In the event of a failure of the School District to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the 2019 Refunding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the School District to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 12**    **Duties, Immunities and Liabilities of Dissemination Agent.**    The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the School District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the School District, the Property Owner, the Bond owners or any other party. The obligations of the School District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2019 Refunding Bonds.

**Section 13**    **Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the School District, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the 2019 Refunding Bonds, and shall create no rights in any other person or entity.

**Section 14**    **Counterparts.** This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the School District has caused this Continuing Disclosure Certificate to be executed by its authorized officer as of the day and year first above written.

**RIO ELEMENTARY SCHOOL DISTRICT**

By: \_\_\_\_\_  
John D. Puglisi, Ph.D.,  
Superintendent

**AGREED AND ACCEPTED: DTA, Inc.,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**FORM OF NOTICE TO REPOSITORY  
OF FAILURE TO FILE ANNUAL REPORT**

Name of School District: Rio Elementary School District

Name of Bonds: Rio Elementary School District  
Community Facilities District No. 1  
2019 Special Tax Refunding Bonds  
(Federally Taxable)

Date of Delivery: [CLOSING DATE]

NOTICE IS HEREBY GIVEN that the Rio Elementary School District (the “School District”) has not provided an Annual Report with respect to the above-named Bonds as required by a Continuing Disclosure Certificate executed [CLOSING DATE], with respect to the above-captioned bond issue. The School District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Date: \_\_\_\_\_ **RIO ELEMENTARY SCHOOL DISTRICT**

*[SAMPLE ONLY]*  
By: \_\_\_\_\_



## **APPENDIX F**

### **FORM OF OPINION OF BOND COUNSEL**

[CLOSING DATE]

Board of Trustees  
Rio Elementary School District  
2500 Vineyard Street  
Oxnard, CA 93036

Re:     \$25,345,000  
       Rio Elementary School District  
       Community Facilities District No. 1  
       2019 Special Tax Refunding Bonds  
       (Federally Taxable)  
       ***Final Opinion of Bond Counsel***

Dear Board Members:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the “School District”) of the Rio Elementary School District Community Facilities District No. 1, 2019 Special Tax Refunding Bonds (the “Bonds”), under and pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 of the State of California (being Sections 53311 et seq. of the Government Code of the State of California); and pursuant to the provisions of the Fiscal Agent Agreement dated November 1, 2005, as supplemented by the First Supplemental Fiscal Agent Agreement dated November 1, 2013, the Second Supplemental Fiscal Agent Agreement dated December 1, 2014, the Third Supplemental Fiscal Agent Agreement dated June 1, 2016, and the Fourth Supplemental Fiscal Agent Agreement dated September 1, 2019, each by and between Zions Bancorporation, National Association, as successor in interest to Zions First National Bank, as fiscal agent, and the School District (collectively, the “Fiscal Agent Agreement”), on behalf of the Rio Elementary School District Community Facilities District No. 1 (the “CFD”). In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the School District contained in the Fiscal Agent Agreement and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1.     The School District has duly authorized, executed, and delivered the Bonds. The Bonds are legal, valid, and binding limited obligations of the School District on behalf of the CFD, payable solely from the proceeds of the Net Special Tax Revenues (as that term is defined

in the Fiscal Agent Agreement) and certain funds held under the Fiscal Agent Agreement to the extent specified therein.

2. The Fiscal Agent Agreement constitutes a valid and binding obligation of the School District on behalf of the CFD, and is enforceable against the School District in accordance with its terms. The Fiscal Agent Agreement creates a valid lien on the Net Special Tax Revenues and other funds pledged by the Fiscal Agent Agreement for the security of the Bonds.

3. Interest on the Bonds is exempt from State of California personal income taxes. The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement or other offering materials relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

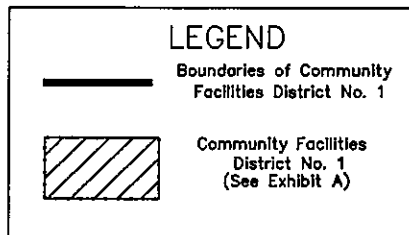
Very truly yours,

PARKER & COVERT LLP

**APPENDIX G**  
**COMMUNITY FACILITIES DISTRICT BOUNDARY MAP**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**PROPOSED BOUNDARIES OF  
RIO ELEMENTARY SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1  
COUNTY OF VENTURA  
STATE OF CALIFORNIA**



(1) Filed in the office of the Clerk of the Board this \_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Clerk of the Board

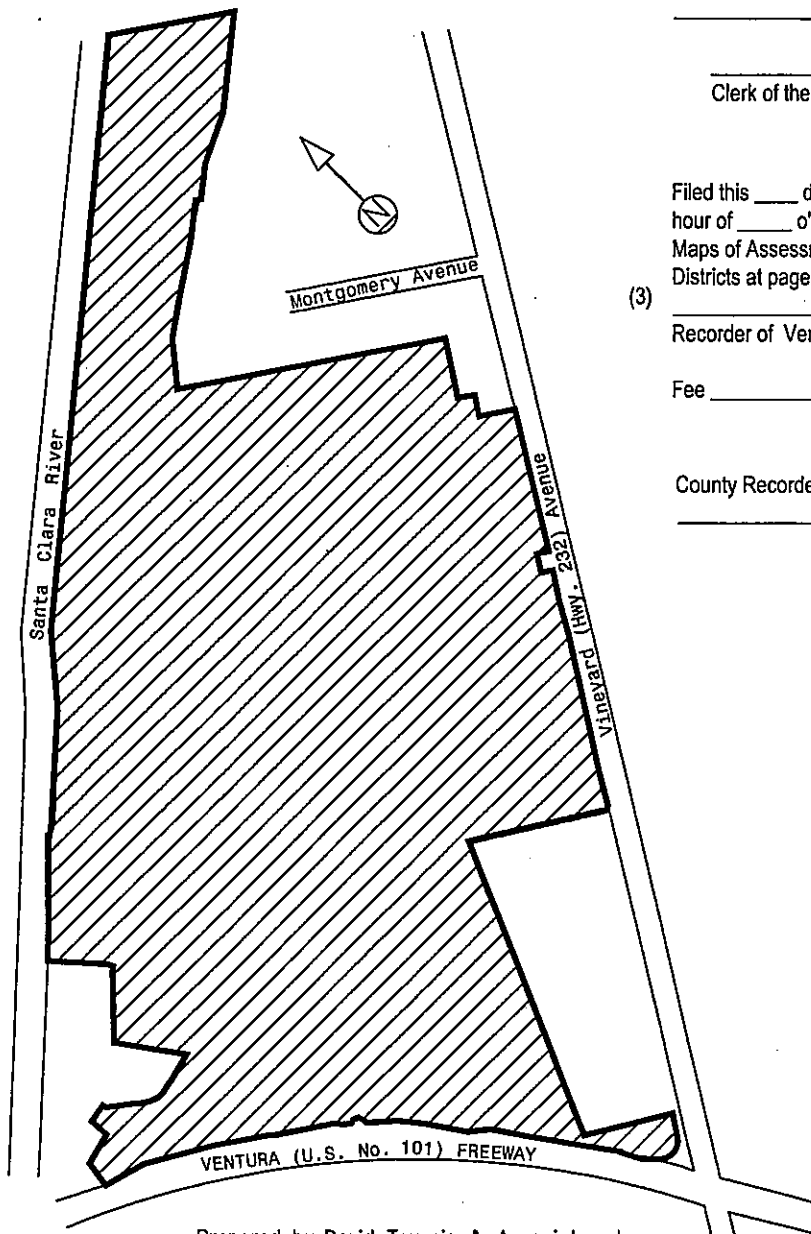
I hereby certify that the within map showing the proposed boundaries of the Rio Elementary School District, Community Facilities District No. 1, Ventura County, State of California, was approved by the Board at a regular meeting thereof, held on this \_\_\_\_ day of \_\_\_\_\_, 2005, by its Resolution No. \_\_\_\_\_.

\_\_\_\_\_  
Clerk of the Board

Filed this \_\_\_\_ day of \_\_\_\_\_, 2005, at the hour of \_\_\_\_ o'clock \_\_\_\_m, in Book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at page \_\_\_\_\_ and as Instrument No. \_\_\_\_\_ in the office of the County Recorder of Ventura County, State of California.

Fee \_\_\_\_\_

\_\_\_\_\_  
County Recorder of Ventura County



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

EXHIBIT "A" OF  
RIO ELEMENTARY SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1  
COUNTY OF VENTURA  
STATE OF CALIFORNIA

**F.Y. 2004-05 Assessor Parcel Numbers  
within the Boundaries of Community  
Facilities District No. 1**

132-0-020-205  
132-0-020-210  
132-0-020-220  
132-0-020-240  
132-0-020-260  
132-0-020-375  
132-0-020-385  
132-0-020-405  
132-0-020-415  
132-0-020-425  
132-0-020-435  
132-0-031-060  
132-0-031-120  
132-0-032-010  
132-0-032-050  
132-0-032-080  
132-0-032-090  
132-0-032-100  
132-0-032-120  
132-0-032-130  
132-0-032-145  
132-0-032-155  
132-0-100-115  
132-0-020-160  
132-0-020-190  
133-0-010-015  
133-0-010-115  
133-0-010-475  
133-0-010-495  
133-0-010-575  
133-0-010-595  
133-0-010-605  
133-0-010-615  
133-0-010-630

**APPENDIX H**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

[THIS PAGE INTENTIONALLY LEFT BLANK]





## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

1 World Financial Center, 27<sup>th</sup> floor  
200 Liberty Street  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN