



# COOPERATIVE STRATEGIES

COMPLETE FINANCIAL & DEMOGRAPHIC PLANNING FOR EDUCATION

## LAKE ELSINORE UNIFIED SCHOOL DISTRICT

CONTINUING DISCLOSURE ANNUAL REPORT

FISCAL YEAR ENDING JUNE 30, 2019:

IMPROVEMENT AREA B OF

COMMUNITY FACILITIES DISTRICT NO. 2006-2

SERIES 2018 SPECIAL TAX BONDS

SERIES 2019 SPECIAL TAX BONDS

BASE CUSIP: 509640

JANUARY 31, 2020

**PREPARED FOR:**

**Lake Elsinore Unified  
School District**

545 Chaney Street

Lake Elsinore, CA 92530

T 951.253.7000

**PREPARED BY:**

**Cooperative Strategies**

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**Lake Elsinore Unified School District**  
***Improvement Area B of***  
***Community Facilities District No. 2006-2***  
***Series 2018 Special Tax Bonds***

<u><i>Maturity Date (September 1)</i></u>	<u><i>CUSIP*</i></u>
2019	509640WC8
2020	509640WD6
2021	509640WE4
2022	509640WF1
2023	509640WG9
2024	509640WH7
2025	509640WJ3
2026	509640WK0
2027	509640WL8
2028	509640WM6
2029	509640WN4
2030	509640WP9
2031	509640WQ7
2032	509640WR5
2033	509640WS3
2034	509640WT1
2035	509640WU8
2036	509640WV6
2037	509640WW4
2038	509640WX2
2043	509640WY0
2048	509640WZ7

\* CUSIP is a registered trademark of the American Bankers Association

**Lake Elsinore Unified School District**  
*Improvement Area B of*  
**Community Facilities District No. 2006-2**  
*Series 2019 Special Tax Bonds*

<u>Maturity Date (September 1)</u>	<u>CUSIP*</u>
2020	509640XA1
2021	509640XB9
2022	509640XC7
2023	509640XD5
2024	509640XE3
2025	509640XF0
2026	509640XG8
2027	509640XH6
2028	509640XJ2
2029	509640XK9
2030	509640XL7
2031	509640XM5
2032	509640XN3
2033	509640XP8
2034	509640XQ6
2035	509640XR4
2036	509640XS2
2037	509640XT0
2038	509640XU7
2039	509640XV5
2047	509640XW3
2049	509640XX1

**List of Participants**

**Issuer**

Improvement Area B of  
Community Facilities District No. 2006-2  
Lake Elsinore Unified School District  
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Lake Elsinore, CA 92530  
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# T.O.C.

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## I. ISSUER'S STATEMENT

This Annual Report ("Report") has been prepared pursuant to the Continuing Disclosure Agreement ("2018 Disclosure Agreement") executed in connection with the issuance of the Series 2018 Special Tax Bonds ("2018 Bonds") and the Continuing Disclosure Agreement ("2019 Disclosure Agreement", collectively, with the 2018 Disclosure Agreement, "Disclosure Agreements") executed in connection with the issuance of the Series 2019 Special Tax Bonds ("2019 Bonds", collectively, with the 2018 Bonds, "Bonds") by Improvement Area ("IA") B of Community Facilities District ("CFD") No. 2006-2 of the Lake Elsinore Unified School District ("School District").

The School District has agreed under the Disclosure Agreements and pursuant to Rule 15c2-12 of the Securities and Exchange Commission to provide certain annual financial information, operating data, and notices of certain listed events via the Electronic Municipal Market Access ("EMMA") system, a service of the Municipal Securities Rulemaking Board. This Report has been prepared by Cooperative Strategies at the direction of the School District, for the benefit of the owners of the Bonds and the Participating Underwriter.

Any information contained herein which involves estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The information set forth herein has been furnished by the School District, or other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Report nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District or IA B of CFD No. 2006-2 since the date hereof. Capitalized terms used herein which are not otherwise defined shall have the meaning given them in the Disclosure Agreement.

For a detailed listing of information provided in this Report, please contact Cooperative Strategies at [taxinfo@coopstrategies.com](mailto:taxinfo@coopstrategies.com). Information requested, in accordance with the Disclosure Agreement, will be uploaded to the Electronic Municipal Market Access website. Please visit <https://emma.msrb.org> for any updates.

Lake Elsinore Unified School District

## II. FINANCIAL INFORMATION

The School District's annual audited financial statements for Fiscal Year 2018/2019 are available online at <http://emma.msrb.org/> and are hereby incorporated by reference.

The School District's annual financial statements are provided solely to comply with the Securities Exchange Commission staff's interpretation of Rule 15c2-12. No funds or assets of IA B of CFD No. 2006-2 or the School District are required to be used to pay debt service on the Bonds, and neither IA B of CFD No. 2006-2 nor the School District is obligated to advance available funds to cover any delinquencies. Investors should not rely on the financial condition of IA B of CFD No. 2006-2 or the School District in evaluating whether to buy, hold, or sell the Bonds.



### **III. BOND INFORMATION**

**Series 2018 Special Tax Bonds.** The 2018 Bonds were issued in the amount of \$4,640,000 on March 22, 2018. The 2018 Bonds were issued to fund (i) either directly or indirectly, the acquisition and construction of certain school improvements of benefit to the property within IA B of CFD No. 2006-2, (ii) a reserve fund for the Bonds, and (iii) the costs of issuing the 2018 Bonds.

**Series 2019 Special Tax Bonds.** The 2019 Bonds were issued in the amount of \$5,715,000 on October 3, 2019. The 2019 Bonds were issued to fund (i) either directly or indirectly, the acquisition and construction of certain school improvements of benefit to the property within IA B of CFD No. 2006-2, (ii) a reserve fund for the Bonds, and (iii) the costs of issuing the 2019 Bonds.

The Bonds are limited obligations of IA B of CFD No. 2006-2 and are payable solely from revenues of the "Net Taxes" which is defined as Special Taxes levied within IA B of CFD No. 2006-2 less the Administrative Expense Requirement. The Bonds are not a debt of the School District, the State of California, or any of its political subdivisions.

The items below summarize information required by the Disclosure Agreements.

#### **A. Principal Amount of Bonds Outstanding**

The outstanding principal amount of the 2018 Bonds as of January 1, 2020 was \$4,610,000.00. The debt service schedule for the 2018 Bonds is included as Exhibit A.

The outstanding principal amount of the 2019 Bonds as of January 1, 2020 was \$5,715,000.00. The debt service schedule for the 2019 Bonds is included as Exhibit A.

**B. Fund and Account Balances**

The balance in each fund and account of the Bonds as of January 1, 2020 is listed in the table below.

**Fund and Account Balances**

<b>Funds and Accounts</b>	<b>Amount</b>
2019 Reserve Fund	\$0.00
2019 School Facilities Account	\$6,106,786.93
Administrative Expense Fund	\$32,817.28
Cost of Issuance Account	\$0.00
Custody Account	\$33,155.86
Interest Account	\$17.06
Principal Account	\$960.94
2018 Reserve Fund	\$350,401.80
Residual Fund	\$0.00
School Construction Fund	\$2,032,963.17
Special Tax Fund	\$257,939.73
<b>Total</b>	<b>\$8,815,042.77</b>

**C. Reserve Requirement**

As of January 1, 2020 the Reserve Requirement for the 2018 Bonds was \$353,058.66; therefore, the Reserve Requirement was not satisfied as of this date. Cooperative Strategies has reviewed the transaction history and determined that this is not the result of financial difficulties. This has been brought to the attention of the Fiscal Agent and excess Special Taxes will be transferred to the Reserve Fund to satisfy the Reserve Requirement.

As of January 1, 2020 the Reserve Requirement for the 2019 Bonds was \$472,058.66, The Reserve Requirement for the 2019 Bonds is satisfied by a debt service reserve insurance policy in an amount equal to the Reserve Requirement; therefore, the Reserve Requirement was satisfied as of this date.

**D. Status of Projects**

**Series 2018 Special Tax Bonds.** Construction proceeds generated from the issuance of the 2018 Bonds remain unexpended as of the date of this Report. The construction proceeds are expected to be utilized on certain school facilities of benefit to the property owners within IA B of CFD No. 2006-2 within the next three (3) years.

**Series 2019 Special Tax Bonds.** Construction proceeds generated from the issuance of the 2019 Bonds remain unexpended as of the date of this Report. The construction proceeds are expected to be utilized on certain school facilities of benefit to the property owners within IA B of CFD No. 2006-2 within the next three (3) years.

#### IV. SPECIAL TAXES

Improvement Area B of CFD No. 2006-2 has covenanted to annually levy the Special Tax in accordance with the First Amended Rate and Method of Apportionment ("RMA") so long as the Bonds are outstanding. The items below summarize information required by the Disclosure Agreements.

##### A. Changes to the First Amended Rate and Method of Apportionment

There has been no change to the RMA since the date of the Official Statement. A copy of the RMA has been included as Exhibit B.

##### B. Prepayments

There have been no prepayments of the Special Tax since the date of the Official Statement.

##### C. Special Tax Budget

A summary of the Fiscal Year 2019/2020 Special Tax budget is outlined below.

#### Special Tax Budget

<b>FY 2019/2020 Obligations</b>		<b>\$551,265.14</b>
2018 Bonds Interest Payment Due March 1, 2020	\$86,996.88	
2018 Bonds Interest Payment Due September 1, 2020	\$86,996.88	
2018 Bonds Principal Payment Due September 1, 2020	\$35,000.00	
2019 Bonds Interest Payment Due March 1, 2020	\$106,107.78	
2019 Bonds Interest Payment Due September 1, 2020	\$129,050.00	
2019 Bonds Principal Payment Due September 1, 2020	\$25,000.00	
Administrative Expense Budget for Fiscal Year 2019/2020	\$30,000.00	
Direct Construction of Authorized Facilities/Special Tax Delinquencies	\$52,113.60	
<b>Special Tax Requirement</b>		<b>\$551,265.14</b>

##### D. Debt Service Coverage

At the time the Bonds were sold IA B of CFD No. 2006-2 represented that the amount of Net Taxes that may be levied on the parcels for which a building permit had been issued, if levied in accordance with the RMA, would annually yield revenue in an amount not less than 1.10 times the annual debt service on the Bonds.

In Fiscal Year 2019/2020 the amount of Net Taxes yields 111.11% of the annual debt service on the Bonds. An Annual Debt Service Coverage Summary Table has been included as Exhibit C.

**E. Special Tax Levy**

A summary of the Fiscal Year 2018/2019 Special Tax levy and collections/delinquencies is included in the table below.

**Fiscal Year 2018/2019 Special Tax Levy with Collections and Delinquencies**

Tax Class (Land Use)	Number of Units/Acres	Assigned Annual Special Tax Rate	Total Assigned Annual Special Taxes	Total Annual Collections	Total Annual Delinquencies	Delinquency Rate
Tax Class 1 (< 2,150)	184 Units	\$906.76 per Unit	\$166,843.84	\$165,937.08	\$906.76	0.54%
Tax Class 2 (2,150 - 2,449)	58 Units	\$1,097.36 per Unit	\$63,646.88	\$63,098.20	\$548.68	0.86%
Tax Class 3 (2,450 - 2,749)	70 Units	\$1,192.82 per Unit	\$83,497.40	\$79,918.94	\$3,578.46	4.29%
Tax Class 4 (2,750 - 3,049)	44 Units	\$1,384.40 per Unit	\$60,913.60	\$60,913.60	\$0.00	0.00%
Tax Class 5 (3,050 - 3,349)	39 Units	\$1,480.04 per Unit	\$57,721.56	\$55,501.50	\$2,220.06	3.85%
Tax Class 6 (3,350 - 3,649)	14 Units	\$1,719.62 per Unit	\$24,074.68	\$24,074.68	\$0.00	0.00%
Tax Class 7 (> 3,649)	5 Units	\$1,766.66 per Unit	\$8,833.30	\$8,833.30	\$0.00	0.00%
<i>Developed Property</i>	<i>414 Units</i>	<i>N/A</i>	<i>\$465,531.26</i>	<i>\$458,277.30</i>	<i>\$7,253.96</i>	<i>1.56%</i>
<i>Undeveloped Property</i>	<i>12.13 Acres</i>	<i>\$0.00 per Acre</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>0.00%</i>
<b>Total</b>			<b>\$465,531.26</b>	<b>\$458,277.30</b>	<b>\$7,253.96</b>	<b>1.56%</b>

A summary of the Fiscal Year 2019/2020 Special Tax levy is included in the table below.

**Fiscal Year 2019/2020 Special Tax Levy**

Tax Class (Land Use)	Number of Units/Acres	Assigned Annual Special Tax Rate	Total Assigned Annual Special Taxes
Tax Class 1 (< 2,150)	208 Units	\$924.90 per Unit	\$192,379.20
Tax Class 2 (2,150 - 2,449)	73 Units	\$1,119.32 per Unit	\$81,710.36
Tax Class 3 (2,450 - 2,749)	88 Units	\$1,216.68 per Unit	\$107,067.84
Tax Class 4 (2,750 - 3,049)	55 Units	\$1,412.10 per Unit	\$77,665.50
Tax Class 5 (3,050 - 3,349)	39 Units	\$1,509.64 per Unit	\$58,875.96
Tax Class 6 (3,350 - 3,649)	14 Units	\$1,754.02 per Unit	\$24,556.28
Tax Class 7 (> 3,649)	5 Units	\$1,802.00 per Unit	\$9,010.00
<i>Developed Property</i>	<i>482 Units</i>	<i>N/A</i>	<i>\$551,265.14</i>
<i>Undeveloped Property</i>	<i>0.3630 Acres</i>	<i>\$0.00 per Acre</i>	<i>\$0.00</i>
<b>Total</b>			<b>\$551,265.14</b>

## F. Development Information

As of January 1, 2020, a total of 484 building permits have been issued and 438 of these have closed and sold to individual homeowners.

## G. Major Taxpayers

"Major Taxpayers" are those property owners responsible for more than five percent (5.00%) of the Special Tax levy. The property owners responsible for more than five percent (5.00%) of the Special Taxes levied in Fiscal Year 2019/2020, are listed in the table below.

Major Taxpayer	No. of Parcels	Levy		Assessed Value	
		Amount	Percentage	Amount	Percentage
RICHMOND AMERICAN HOMES OF MARYLAND INC <sup>[1]</sup>	26	\$31,154.52	5.65%	\$3,565,135.00	1.96%
RSI COMMUNITIES	13	\$12,995.80	2.36%	\$2,758,726.00	1.52%
PROJECT ROYAL	7	\$7,057.56	1.28%	\$2,453,444.00	1.35%
INDIVIDUAL TAXPAYERS	438	\$500,057.26	90.74%	\$173,053,177.00	95.19%
<b>Total</b>	<b>484</b>	<b>\$551,265.14</b>	<b>100.00%</b>	<b>\$181,830,482.00</b>	<b>100.00%</b>

[1] This Major Taxpayer is not delinquent on the payment of the Fiscal Year 2018/2019 Special Taxes.

## H. Special Tax Delinquencies

Historical Special Tax delinquencies within IA B of CFD No. 2006-2 are shown in the table below.

### Historical Special Tax Delinquencies

Fiscal Year	Subject Fiscal Year <sup>[1]</sup>						October 9, 2019 <sup>[2]</sup>		
	Parcels Levied	Aggregate Special Tax	Total Annual Special Taxes Collected	Parcels Delinquent	Fiscal Year Amount Delinquent	Fiscal Year Delinquency Rate	Parcels Delinquent	Remaining Amount Delinquent	Remaining Delinquency Rate
2015/2016	0	\$0.00	\$0.00	0	\$0.00	0.00 %	0	\$0.00	0.00 %
2016/2017	49	\$44,633.38	\$44,197.61	1	\$435.77	0.98 %	0	\$0.00	0.00 %
2017/2018	190	\$196,658.12	\$193,804.32	3	\$2,853.80	1.45 %	1	\$1,075.84	0.55 %
2018/2019	414	\$465,531.26	\$458,277.30	10	\$7,253.96	1.56 %	10	\$7,253.96	1.56 %

[1] Delinquencies as of June 30<sup>th</sup>.

[2] Section 4(b)(x) of the Disclosure Agreements requires delinquency information as of November 1<sup>st</sup>. However, due to the availability of tax information from the County of Riverside delinquencies are as of October 9<sup>th</sup>. There are no delinquent taxpayers obligated for greater than 5% of the annual Special Tax levy as of October 9<sup>th</sup>.

## **I. Special Tax Foreclosures**

IA B of CFD No. 2006-2 has covenanted that it will commence judicial foreclosure proceedings against any single owner of any single parcel who is delinquent in the payment of five (5) or more installments of the Special Tax or any owner who owns one or more parcels subject to a Special Tax delinquency in an aggregate amount of \$15,000 or more by the September 29<sup>th</sup> following the close of each Fiscal Year in which such Special Taxes were due and will commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the September 29<sup>th</sup> following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied.

After reviewing the level of delinquencies within IA B of CFD No. 2006-2 as of July 1, 2019, it was determined that Improvement Area B of Community Facilities District No. 2006-2 was not required to initiate foreclosure proceedings for Fiscal Year 2018/2019 or any prior Fiscal Years. IA B of CFD No. 2006-2 has never initiated foreclosure proceedings as of the date of this Report.

## **V. ASSESSED VALUES AND LAND SECURED BONDED INDEBTEDNESS**

The assessed values and direct and overlapping land secured bonded indebtedness on individual parcels vary among parcels within IA B of CFD No. 2006-2. The value of and debt burden on individual parcels is significant because in the event of a delinquency in the payment of Special Taxes, IA B of CFD No. 2006-2 may foreclose only against delinquent parcels. The items below summarize information required by the Disclosure Agreement.

### **A. Assessed Value Summary**

A summary of the assessed value of the property within IA B of CFD No. 2006-2, distinguishing between the assessed value of improved parcels and unimproved parcels, is included in Exhibit D.

### **B. Overlapping Debt Report**

Certain overlapping local agencies provide public services and assess property taxes, assessments, special taxes and other charges on the property in IA B of CFD No. 2006-2. Many of these local agencies have outstanding debt. The direct and overlapping debt affecting the property in IA B of CFD No. 2006-2 as of the date of this Report is outlined in Exhibit E. Exhibit E was prepared by National Tax Data, Inc., and has not been reviewed for completeness or accuracy by the School District or Cooperative Strategies. Additional indebtedness could be authorized by the School District or other public agencies at any time.

### **C. Assessed Values and Value-to-Lien Ratios**

The assessed values and value-to-lien ratios for all parcels within IA B of CFD No. 2006-2 are shown in a table as Exhibit F.



## **VI. REPORTS AND ADDITIONAL INFORMATION**

Below is a summary of various other reports and information regarding the Bonds which are required by the Disclosure Agreements.

### **A. Reports to the California Debt and Investment Advisory Commission**

A copy of the reports prepared and filed with the California Debt and Investment Advisory Commission pursuant to Section 53359.5(b) of the Act for Fiscal Year 2018/2019 is included as Exhibit G.

### **B. Listed Events**

Pursuant to Section 5(a) of each of the Disclosure Agreements, IA B of CFD No. 2006-2 shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 security or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

None of these events occurred in Fiscal Year 2018/2019.

**C. Additional Information**

In addition to any of the information expressly required to be provided by the Disclosure Agreement, IA B of CFD No. 2006-2 shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

After careful review it has been determined that there is no such information for Fiscal Year 2018/2019.

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**EXHIBIT A**

**Debt Service Schedule**

**Lake Elsinore Unified School District**  
**Improvement Area B of**  
**Community Facilities District No. 2006-2**  
**Series 2018 Special Tax Bonds**  
**Debt Service Schedule**

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Amount/</u> <u>Sinking Fund Payment</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019	\$30,000.00	\$174,593.76	\$204,593.76
2020	\$35,000.00	\$173,993.76	\$208,993.76
2021	\$40,000.00	\$173,293.76	\$213,293.76
2022	\$45,000.00	\$172,493.76	\$217,493.76
2023	\$50,000.00	\$171,537.50	\$221,537.50
2024	\$55,000.00	\$170,412.50	\$225,412.50
2025	\$60,000.00	\$169,037.50	\$229,037.50
2026	\$70,000.00	\$167,387.50	\$237,387.50
2027	\$75,000.00	\$165,287.50	\$240,287.50
2028	\$80,000.00	\$163,037.50	\$243,037.50
2029	\$90,000.00	\$160,637.50	\$250,637.50
2030	\$100,000.00	\$157,712.50	\$257,712.50
2031	\$110,000.00	\$153,712.50	\$263,712.50
2032	\$120,000.00	\$149,312.50	\$269,312.50
2033	\$130,000.00	\$144,512.50	\$274,512.50
2034	\$140,000.00	\$139,800.00	\$279,800.00
2035	\$150,000.00	\$134,725.00	\$284,725.00
2036	\$160,000.00	\$129,100.00	\$289,100.00
2037	\$175,000.00	\$123,100.00	\$298,100.00
2038	\$185,000.00	\$116,537.50	\$301,537.50
2039	\$200,000.00	\$109,600.00	\$309,600.00
2040	\$215,000.00	\$101,600.00	\$316,600.00
2041	\$230,000.00	\$93,000.00	\$323,000.00
2042	\$245,000.00	\$83,800.00	\$328,800.00
2043	\$260,000.00	\$74,000.00	\$334,000.00
2044	\$280,000.00	\$63,600.00	\$343,600.00
2045	\$300,000.00	\$52,400.00	\$352,400.00
2046	\$315,000.00	\$40,400.00	\$355,400.00
2047	\$335,000.00	\$27,800.00	\$362,800.00
2048	\$360,000.00	\$14,400.00	\$374,400.00

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**Community Facilities District No. 2006-2**  
**Series 2019 Special Tax Bonds**  
**Debt Service Schedule**

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Amount/ Sinking Fund Payment</u>	<u>Interest</u>	<u>Total Debt Service</u>
2020	\$25,000.00	\$235,157.78	\$260,157.78
2021	\$15,000.00	\$257,100.00	\$272,100.00
2022	\$20,000.00	\$256,500.00	\$276,500.00
2023	\$25,000.00	\$255,700.00	\$280,700.00
2024	\$35,000.00	\$254,700.00	\$289,700.00
2025	\$45,000.00	\$253,300.00	\$298,300.00
2026	\$50,000.00	\$251,500.00	\$301,500.00
2027	\$60,000.00	\$249,500.00	\$309,500.00
2028	\$70,000.00	\$246,500.00	\$316,500.00
2029	\$80,000.00	\$243,000.00	\$323,000.00
2030	\$85,000.00	\$239,000.00	\$324,000.00
2031	\$100,000.00	\$234,750.00	\$334,750.00
2032	\$110,000.00	\$229,750.00	\$339,750.00
2033	\$125,000.00	\$224,250.00	\$349,250.00
2034	\$135,000.00	\$218,000.00	\$353,000.00
2035	\$150,000.00	\$211,250.00	\$361,250.00
2036	\$170,000.00	\$203,750.00	\$373,750.00
2037	\$180,000.00	\$195,250.00	\$375,250.00
2038	\$200,000.00	\$186,250.00	\$386,250.00
2039	\$220,000.00	\$176,250.00	\$396,250.00
2040	\$235,000.00	\$165,250.00	\$400,250.00
2041	\$255,000.00	\$153,500.00	\$408,500.00
2042	\$280,000.00	\$140,750.00	\$420,750.00
2043	\$305,000.00	\$126,750.00	\$431,750.00
2044	\$325,000.00	\$111,500.00	\$436,500.00
2045	\$350,000.00	\$95,250.00	\$445,250.00
2046	\$380,000.00	\$77,750.00	\$457,750.00
2047	\$410,000.00	\$58,750.00	\$468,750.00
2048	\$435,000.00	\$38,250.00	\$473,250.00
2049	\$840,000.00	\$25,200.00	\$865,200.00

**EXHIBIT B**

**First Amended Rate and Method of Apportionment**

**FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR  
IMPROVEMENT AREA NO. B OF  
COMMUNITY FACILITIES DISTRICT NO. 2006-2  
OF LAKE ELSINORE UNIFIED SCHOOL DISTRICT**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Taxes ("First Amended Rate and Method of Apportionment") for Improvement Area No. B ("IA No. B") of Community Facilities District No. 2006-2 ("CFD No. 2006-2") of the Lake Elsinore Unified School District ("School District"). An Annual Special Tax shall be levied on and collected from Taxable Property (defined below) within the boundaries of IA No. B of CFD No. 2006-2 each Fiscal Year in an amount determined through the application of the First Amended Rate and Method of Apportionment of Special Taxes described below. All of the real property in IA No. B of CFD No. 2006-2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A  
DEFINITIONS**

For purposes of this First Amended Rate and Method of Apportionment the terms hereinafter set forth have the following meanings:

**"Acre"** or **"Acreage"** means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Board may rely on the land area shown on the applicable Final Subdivision Map, condominium plan, or other recorded County parcel map.

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

**"Administrative Expenses"** means any ordinary and necessary expense incurred by the School District on behalf of IA No. B of CFD No. 2006-2 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of IA No. B of CFD No. 2006-2, and reasonable costs otherwise incurred in order to carry out the authorized purposes of IA No. B of CFD No. 2006-2 or statutory requirements applicable thereto.

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

**"Assessor's Parcel"** means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of IA No. B of CFD No. 2006-2.

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

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

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

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

**"Board"** means the Board of Trustees of Lake Elsinore Unified School District, or its designee, in certain cases acting as the Legislative Body of IA No. B of CFD No. 2006-2.

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

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

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

**"Building Permit"** means a permit for the construction of one or more Units issued by the County, or another public agency in the event the County no longer issues said permits for the construction of Units within IA No. B of CFD No. 2006-2. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

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

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

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

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

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes in Section K each Fiscal Year as determined May 1<sup>st</sup> of the previous Fiscal Year.

**"Final Subdivision Map"** means a final tract map, parcel map, condominium plan lot line



adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the County Office of the Recorder.

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

**"Homeowner"** means any owner of a completed Unit constructed and sold within IA No. B of CFD No. 2006-2.

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

**"Maximum Special Tax"** means the maximum Special Tax, determined in accordance with Section C that can be levied by IA No. B of CFD No. 2006-2 in any Fiscal Year on any Assessor's Parcel.

**"Minimum Annual Special Tax Requirement"** means the amount required in any Fiscal Year to pay: (i) the annual debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses of IA No. B of CFD No. 2006-2, (iii) the costs associated with the release of funds from an escrow account(s) established in association with the Bonds, and (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, less (v) any amount available to pay annual debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Minimum Annual Special Tax Requirement the Board shall take into account the reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

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

**"Net Taxable Acreage"** means the total Acreage of all Taxable Property expected to exist in IA No. B of CFD No. 2006-2 after all Final Subdivision Maps are recorded.

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

**"Prepayment Administrative Fees"** means any fees or expenses of the School District or IA No. B of CFD No. 2006-2 associated with the prepayment or partial prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include among other things the cost of computing the Prepayment Amount, redeeming Bonds, and recording any notices to evidence the prepayment and redemption of Bonds.

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

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

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

**"Reserve Fund Credit"** means an amount, if any, 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.

**"School District"** means the Lake Elsinore Unified School District or any successor school district.

**"Special Tax"** means any of the special taxes authorized to be levied by IA No. B of CFD No. 2006-2 pursuant to the Act.

**"Taxable Property"** means all Assessor's Parcels which are not Exempt Property.

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

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

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

For each Fiscal Year, beginning with Fiscal Year 2007-08, each Assessor's Parcel within IA No. B of CFD No. 2006-2 shall be classified as Taxable Property or Exempt Property and each Assessor's Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property. Developed Property shall be further classified based on the Building Square Footage of the Unit.

## **SECTION C MAXIMUM SPECIAL TAXES**

### **1. Developed Property**

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

**2. Undeveloped Property**

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

**SECTION D  
ASSIGNED ANNUAL SPECIAL TAXES**

**1. Developed Property**

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property in Fiscal Year 2007-08 shall be the amount specified in Table 1 according to the Building Square Footage of a Unit, subject to increase as described below.

**TABLE 1**

**ASSIGNED ANNUAL SPECIAL TAX FOR  
DEVELOPED PROPERTY  
FISCAL YEAR 2007-08**

<b>Building Square Feet</b>	<b>Assigned Annual Special Tax</b>
< 2,150	\$729.27 per Unit
2,150 – 2,449	\$882.57 per Unit
2,450– 2,749	\$959.35 per Unit
2,750 – 3,049	\$1,113.43 per Unit
3,050 – 3,349	\$1,190.35 per Unit
3,350 – 3,649	\$1,383.04 per Unit
> 3,649	\$1,420.85 per Unit

Each July 1, commencing July 1, 2008, the Assigned Annual Special Tax for each Assessor's Parcel of Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**2. Undeveloped Property**

The Assigned Annual Special Tax rate for an Assessor's Parcel classified as Undeveloped Property in any Fiscal Year shall be \$8,794.46 per acre of Acreage.

Each July 1, commencing July 1, 2008, the Assigned Annual Special Tax per acre of Acreage for each Assessor's Parcel of Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION E  
BACKUP ANNUAL SPECIAL TAXES**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax. The Backup Annual Special Tax for an Assessor's Parcel of Developed Property within a Final Subdivision Map shall be the rate per Lot calculated according to the following formula in Fiscal Year 2007-08 or such later Fiscal Year in which such Final Subdivision Map is created, subject to increase as described below:

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

The terms above have the following meanings:

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

Each July 1, commencing July 1 following the initial calculation of the Backup Annual Special Tax rate for an Assessor's Parcel of Developed Property within a Final Subdivision Map, the Backup Annual Special Tax for each Lot within such Final Subdivision Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

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

1. Determine the total Backup Annual Special Taxes anticipated to apply to the changed or modified area in the Final Subdivision Map prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property which is ultimately expected to exist in such changed or modified area in the Final Subdivision Map, as reasonably determined by the Board.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property in such changed or modified area of the Final Subdivision Map for all remaining Fiscal Years in which the Special Tax may be levied. Each July 1, commencing the July 1 following the change or modification to the Final Subdivision Map, the amount determined by this section 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 2007-08, and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

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

**SECTION G**  
**PREPAYMENT OF ANNUAL SPECIAL TAXES**

The Annual Special Tax obligation of an Assessor's Parcel of Developed Property, or an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued, may be prepaid in full pursuant to 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 Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay the Annual Special Tax obligation shall provide IA No. B of CFD No. 2006-2 with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the School District shall reasonably determine the Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Prepayment Amount. The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

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

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

With respect to any Assessor's Parcel that is prepaid, the School District shall indicate in the records of IA No. B of CFD No. 2006-2 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Annual Special Tax shall cease.

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

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

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

Prior to the conveyance of the first production Unit to a Homeowner within a Final Subdivision Map, the owner of no less than all the Taxable Property within such Final Subdivision Map may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor's Parcels within such Final Subdivision Map, as calculated in Section H.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected for all Assessor's Parcels prior to the conveyance of the first production Unit to a Homeowner with respect to such Final Subdivision Map.

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

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

$$PP = P_G \times F$$

The terms above have the following meanings:

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

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

With respect to any Assessor's Parcel that is partially prepaid, the School District shall indicate in the records of IA No. B of CFD No. 2006-2 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax, if applicable for the Assessor's Parcel, has been reduced by an amount equal to the percentage which was partially prepaid.

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

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

In any Fiscal Year which the Annual Special Taxes collected from Developed Property, pursuant to Step One of Section F, exceeds the Minimum Annual Special Tax Requirement, the School District shall use such amount for acquisition, construction or financing of school facilities in accordance with the Act, IA No. B of CFD No. 2006-2 formation and tax authorization proceedings and other applicable law as determined by the Board.

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

Annual Special Taxes shall be levied for a period of thirty-three (33) Fiscal Years after the final series of Bonds have been issued, provided that Annual Special Taxes shall not be levied after Fiscal Year 2056-57.

### **SECTION K EXEMPTIONS**

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iii) Assessor's Parcels owned by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels developed or expected to be developed exclusively for non-residential use, including any use directly servicing any non-residential property, such as parking, as reasonably determined by the Board, and (vi) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than the Minimum Taxable Acreage listed in Table 2 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 to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

**TABLE 2**

**MINIMUM TAXABLE ACREAGE**

Acres of Acreage
56.29

**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 School District not later than twelve months after having paid the first installment of the Special Tax that is disputed. In order to be considered sufficient, any claim 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 any a portion of the Special Tax; (iii) state all grounds on which the property owner is disputing 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 IA No. B of CFD No. 2006-2 ("Representative") shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the Representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the Representative's decisions 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 IA No. B of CFD No. 2006-2 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial or legal obligations.

S:\Clients\Lake Elsinore Unified SD\Finance\CFDs\CFD No. 2006-2 (Summerly)\2nd Amendment to Mitigation Agreement\Working Docs\RMA\RMA\_IA B\_ROC.doc



**EXHIBIT C**

**Annual Debt Service Coverage Summary Table**

**Lake Elsinore Unified School District**  
**Improvement Area B of**  
**Community Facilities District No. 2006-2**  
**Series 2018 Special Tax Bonds**  
**Annual Debt Service Coverage Summary**

<u>Maturity Date</u> <u>(September 1)</u>	<u>2018 Special Tax Bonds Debt Service</u>	<u>2019 Special Tax Bonds Debt Service</u>	<u>Total Debt Service</u>	<u>Special Tax Levy</u>	<u>Administrative Expense Budget</u>	<u>Net Taxes</u>	<u>Coverage</u>
2020	\$208,993.76	\$260,157.78	\$469,151.54	\$551,265.14	\$30,000.00	\$521,265.14	111.11%
2021	\$213,293.76	\$272,100.00	\$485,393.76	\$564,766.00	\$30,000.00	\$534,766.00	110.17%
2022	\$217,493.76	\$276,500.00	\$493,993.76	\$576,061.32	\$30,000.00	\$546,061.32	110.54%
2023	\$221,537.50	\$280,700.00	\$502,237.50	\$587,582.55	\$30,000.00	\$557,582.55	111.02%
2024	\$225,412.50	\$289,700.00	\$515,112.50	\$599,334.20	\$30,000.00	\$569,334.20	110.53%
2025	\$229,037.50	\$298,300.00	\$527,337.50	\$611,320.88	\$30,000.00	\$581,320.88	110.24%
2026	\$237,387.50	\$301,500.00	\$538,887.50	\$623,547.30	\$30,000.00	\$593,547.30	110.14%
2027	\$240,287.50	\$309,500.00	\$549,787.50	\$636,018.24	\$30,000.00	\$606,018.24	110.23%
2028	\$243,037.50	\$316,500.00	\$559,537.50	\$648,738.61	\$30,000.00	\$618,738.61	110.58%
2029	\$250,637.50	\$323,000.00	\$573,637.50	\$661,713.38	\$30,000.00	\$631,713.38	110.12%
2030	\$257,712.50	\$324,000.00	\$581,712.50	\$674,947.65	\$30,000.00	\$644,947.65	110.87%
2031	\$263,712.50	\$334,750.00	\$598,462.50	\$688,446.60	\$30,000.00	\$658,446.60	110.02%
2032	\$269,312.50	\$339,750.00	\$609,062.50	\$702,215.53	\$30,000.00	\$672,215.53	110.37%
2033	\$274,512.50	\$349,250.00	\$623,762.50	\$716,259.85	\$30,000.00	\$686,259.85	110.02%
2034	\$279,800.00	\$353,000.00	\$632,800.00	\$730,585.04	\$30,000.00	\$700,585.04	110.71%
2035	\$284,725.00	\$361,250.00	\$645,975.00	\$745,196.74	\$30,000.00	\$715,196.74	110.72%
2036	\$289,100.00	\$373,750.00	\$662,850.00	\$760,100.68	\$30,000.00	\$730,100.68	110.15%
2037	\$298,100.00	\$375,250.00	\$673,350.00	\$775,302.69	\$30,000.00	\$745,302.69	110.69%
2038	\$301,537.50	\$386,250.00	\$687,787.50	\$790,808.75	\$30,000.00	\$760,808.75	110.62%
2039	\$309,600.00	\$396,250.00	\$705,850.00	\$806,624.92	\$30,000.00	\$776,624.92	110.03%
2040	\$316,600.00	\$400,250.00	\$716,850.00	\$822,757.42	\$30,000.00	\$792,757.42	110.59%
2041	\$323,000.00	\$408,500.00	\$731,500.00	\$839,212.57	\$30,000.00	\$809,212.57	110.62%
2042	\$328,800.00	\$420,750.00	\$749,550.00	\$855,996.82	\$30,000.00	\$825,996.82	110.20%
2043	\$334,000.00	\$431,750.00	\$765,750.00	\$873,116.75	\$30,000.00	\$843,116.75	110.10%
2044	\$343,600.00	\$436,500.00	\$780,100.00	\$890,579.09	\$30,000.00	\$860,579.09	110.32%
2045	\$352,400.00	\$445,250.00	\$797,650.00	\$908,390.67	\$30,000.00	\$878,390.67	110.12%
2046	\$355,400.00	\$457,750.00	\$813,150.00	\$926,558.49	\$30,000.00	\$896,558.49	110.26%
2047	\$362,800.00	\$468,750.00	\$831,550.00	\$945,089.65	\$30,000.00	\$915,089.65	110.05%
2048	\$374,400.00	\$473,250.00	\$847,650.00	\$963,991.45	\$30,000.00	\$933,991.45	110.19%
2049	\$0.00	\$865,200.00	\$865,200.00	\$983,271.28	\$30,000.00	\$953,271.28	110.18%

**EXHIBIT D**

**Assessed Value Summary Table**

**Fiscal Year 2019/2020 Assessed Value Summary**  
*Lake Elsinore Unified School District*  
*Improvement Area B of*  
*Community Facilities District No. 2006-2*

<b>Tax Class (Land Use)</b>	<b>Units / Parcels</b>	<b>Assessed Value Land</b>	<b>Assessed Value Improvement</b>	<b>Assessed Value Other</b>	<b>Assessed Value Total <sup>[1]</sup></b>
<b><i>Improved</i></b>					
Tax Class 1 (< 2,150)	207	\$15,812,530.00	\$58,993,833.00	\$0.00	\$74,806,363.00
Tax Class 2 (2,150 - 2,449)	71	\$5,383,356.00	\$22,018,004.00	\$0.00	\$27,401,360.00
Tax Class 3 (2,450 - 2,749)	75	\$5,343,873.00	\$25,761,417.00	\$0.00	\$31,105,290.00
Tax Class 4 (2,750 - 3,049)	49	\$3,664,558.00	\$17,224,556.00	\$0.00	\$20,889,114.00
Tax Class 5 (3,050 - 3,349)	39	\$2,766,407.00	\$14,221,612.00	\$0.00	\$16,988,019.00
Tax Class 6 (3,350 - 3,649)	14	\$1,010,578.00	\$5,530,172.00	\$0.00	\$6,540,750.00
Tax Class 7 (> 3,649)	5	\$359,856.00	\$2,012,605.00	\$0.00	\$2,372,461.00
Tax Class U (Undeveloped)	0	\$0.00	\$0.00	\$0.00	\$0.00
<b><i>Subtotal Improved</i></b>	<b>460</b>	<b>\$34,341,158.00</b>	<b>\$145,762,199.00</b>	<b>\$0.00</b>	<b>\$180,103,357.00</b>
<b><i>Unimproved</i></b>					
Tax Class 1 (< 2,150)	1	\$101,659.00	\$0.00	\$0.00	\$101,659.00
Tax Class 2 (2,150 - 2,449)	2	\$205,351.00	\$0.00	\$0.00	\$205,351.00
Tax Class 3 (2,450 - 2,749)	13	\$879,112.00	\$0.00	\$0.00	\$879,112.00
Tax Class 4 (2,750 - 3,049)	6	\$405,755.00	\$0.00	\$0.00	\$405,755.00
Tax Class 5 (3,050 - 3,349)	0	\$0.00	\$0.00	\$0.00	\$0.00
Tax Class 6 (3,350 - 3,649)	0	\$0.00	\$0.00	\$0.00	\$0.00
Tax Class 7 (> 3,649)	0	\$0.00	\$0.00	\$0.00	\$0.00
Tax Class U (Undeveloped)	2	\$135,248.00	\$0.00	\$0.00	\$135,248.00
<b><i>Subtotal Unimproved</i></b>	<b>24</b>	<b>\$1,727,125.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,727,125.00</b>
<b><i>Subtotal Taxable</i></b>	<b>484</b>	<b>\$36,068,283.00</b>	<b>\$145,762,199.00</b>	<b>\$0.00</b>	<b>\$181,830,482.00</b>
Tax Class E (Exempt)	31	\$13.00	\$0.00	\$0.00	\$13.00
Tax Class P (Prepaid)	0	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>515</b>	<b>\$36,068,296.00</b>	<b>\$145,762,199.00</b>	<b>\$0.00</b>	<b>\$181,830,495.00</b>

[1] Total Assessed Value as reported on the Fiscal Year 2019/2020 equalized tax roll of the County of Riverside.

**EXHIBIT E**

**Detailed Direct and Overlapping Debt Report**

LAKE ELSINORE UNIFIED SCHOOL DISTRICT

Community Facilities District No. 2006-2

Improvement Area B

Special Tax Bonds

Detailed Direct and Overlapping Debt

Report Date: 01/22/2020  
Report Time: 12:00:00 PM

I. Assessed Value

2019-2020 Secured Roll Assessed Value	<b>\$181,830,495</b>
---------------------------------------	----------------------

II. Secured Property Taxes

Description on Tax Bill	Type	Total Parcels	Total Levy	% Applicable	Parcels	Levy
Basic 1% Levy	PROP13	923,511	\$2,836,919,066.53	0.06363%	486	\$1,805,065.49
City of Lake Elsinore CFD No. 2003-1	CFDPAYG	7,352	\$3,045,614.56	6.36874%	471	\$193,967.22
City of Lake Elsinore CFD No. 2006-1 (Services)	CFDPAYG	1,195	\$381,563.50	40.33473%	482	\$153,902.60
City of Lake Elsinore CFD No. 2006-1, IA EE (Facilities)	CFD	181	\$276,960.60	100.00000%	181	\$276,960.60
City of Lake Elsinore CFD No. 2006-1, IA FF (Facilities)	CFD	187	\$216,518.76	100.00000%	187	\$216,518.76
City of Lake Elsinore CFD No. 2006-1, IA JJ (Facilities)	CFD	209	\$310,099.46	58.34395%	114	\$180,924.28
City of Lake Elsinore LLM D	LLMD	26,928	\$1,426,539.04	0.66468%	484	\$9,481.92
City of Lake Elsinore Refuse Collection	TRASH	3,424	\$1,142,714.68	0.31115%	12	\$3,555.60
County of Riverside CSA No. 152 (Stormwater)	CSA	18,057	\$392,386.10	1.57411%	445	\$6,176.60
CSCDA CaliforniaFirst Program (County of Riverside)	1915	2,068	\$5,668,377.50	0.03221%	1	\$1,825.78
Elsinore Valley Municipal Water District Regional Sewer Charge	STANDBY	13,145	\$305,281.00	0.56014%	171	\$1,710.00
Elsinore Valley Municipal Water District Standby Charge	STANDBY	13,500	\$301,571.74	0.56703%	171	\$1,710.00
Lake Elsinore Unified School District CFD No. 2006-2 IA B	CFD	512	\$551,265.14	100.00000%	482	\$551,265.14
Lake Elsinore Unified School District Debt Service	GOB	51,618	\$2,499,072.20	1.37236%	484	\$34,296.30
Landscape and Lighting Maintenance District No. 1, Zone 11	LLMD	1,310	\$261,811.08	33.81571%	484	\$88,533.28
Metropolitan Water District of Southern California Debt Service	GOB	268,073	\$3,735,631.47	0.16913%	484	\$6,317.91
Metropolitan Water District of Southern California Standby Charge (West)	STANDBY	263,045	\$3,562,932.22	0.12576%	486	\$4,480.92
Mt. San Jacinto Community College District Debt Service	GOB	328,787	\$12,284,230.20	0.19396%	484	\$23,826.92
Northwest Mosquito & Vector Control Abatement District	ABATEMENT	50,736	\$424,661.04	1.15273%	484	\$4,895.20
Riverside County Flood Control and Water Conservation District NPDES (Santa Ana)	FLOOD	392,063	\$2,663,033.46	0.05700%	459	\$1,518.02
WRCOG CaliforniaFIRST Financing Program (1)	1915	197	\$588,711.30	0.13177%	1	\$775.76
WRCOG Hero Financing Program (County of Riverside) (1)	1915	11,497	\$33,164,736.36	0.03208%	3	\$10,637.62
<b>2019-2020 TOTAL PROPERTY TAX LIABILITY</b>						<b>\$3,578,345.92</b>
<b>TOTAL PROPERTY TAX LIABILITY AS A PERCENTAGE OF 2019-2020 ASSESSED VALUATION</b>						<b>1.97%</b>

III. Land Secured Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
City of Lake Elsinore CFD No. 2006-1, IA EE (Facilities)	CFD	\$5,070,000	\$5,025,000	100.00000%	181	\$5,025,000
City of Lake Elsinore CFD No. 2006-1, IA FF (Facilities)	CFD	\$3,785,000	\$3,720,000	100.00000%	187	\$3,720,000
City of Lake Elsinore CFD No. 2006-1, IA JJ (Facilities)	CFD	\$5,370,000	\$5,370,000	58.34395%	114	\$3,133,070
Lake Elsinore Unified School District CFD No. 2006-2 IA B	CFD	\$10,355,000	\$10,325,000	100.00000%	482	\$10,325,000
<b>TOTAL LAND SECURED BOND INDEBTEDNESS (2)</b>						<b>\$22,203,070</b>
<b>TOTAL OUTSTANDING LAND SECURED BOND INDEBTEDNESS (2)</b>						<b>\$22,203,070</b>

IV. General Obligation Bond Indebtedness

Outstanding Direct and Overlapping Bonded Debt	Type	Issued	Outstanding	% Applicable	Parcels	Amount
Lake Elsinore Unified School District GOB 2016	GOB	\$53,915,000	\$51,070,000	1.34926%	484	\$689,067
Metropolitan Water District of Southern California GOB 1966	GOB	\$850,000,000	\$50,105,000	0.09268%	484	\$46,438
Mt. San Jacinto Community College District GOB 2014	GOB	\$190,000,000	\$164,385,000	0.18895%	484	\$310,600
<b>TOTAL GENERAL OBLIGATION BOND INDEBTEDNESS (2)</b>						<b>\$1,046,105</b>
<b>TOTAL OUTSTANDING GENERAL OBLIGATION BOND INDEBTEDNESS (2)</b>						<b>\$1,046,105</b>

<b>TOTAL OF ALL OUTSTANDING AND OVERLAPPING BONDED DEBT</b>	<b>\$23,249,175.20</b>
<b>VALUE TO ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>7.82:1</b>

(1) Does not include PACE program liens due to the variable nature of each lien.

(2) Additional bonded indebtedness or available bond authorization may exist but are not shown because a tax was not levied for the referenced fiscal year.

Source: California Tax Data

**EXHIBIT F**

**Assessed Value-to-Lien Ratio Summary Table**

## Fiscal Year 2019/2020 Assessed Value-to-Lien Ratio Summary

*Lake Elsinore Unified School District  
Improvement Area B of  
Community Facilities District No. 2006-2*

Tax Class (Land Use)	Total Assessed Value <sup>[1]</sup>	Series 2018 Special Tax Bonds and Series 2019 Special Tax Bonds		Other		Total Lien	Value-to-Lien Ratio
		Principal Amount Outstanding	Value-to-Lien Ratio for CFD	Overlapping Debt <sup>[2]</sup>	General Obligation Debt <sup>[2]</sup>		
Tax Class 1 (< 2,150)	\$74,908,022.00	\$3,603,193.99	20.79:1	\$4,260,930.14	\$430,959.92	\$8,295,084.05	9.03:1
Tax Class 2 (2,150 - 2,449)	\$27,606,711.00	\$1,530,405.98	18.04:1	\$1,774,878.50	\$158,826.60	\$3,464,111.07	7.97:1
Tax Class 3 (2,450 - 2,749)	\$31,984,402.00	\$2,005,342.56	15.95:1	\$2,532,210.67	\$184,012.27	\$4,721,565.50	6.77:1
Tax Class 4 (2,750 - 3,049)	\$21,294,869.00	\$1,454,647.19	14.64:1	\$1,524,056.69	\$122,513.38	\$3,101,217.26	6.87:1
Tax Class 5 (3,050 - 3,349)	\$16,988,019.00	\$1,102,725.79	15.41:1	\$1,233,079.91	\$97,735.27	\$2,433,540.97	6.98:1
Tax Class 6 (3,350 - 3,649)	\$6,540,750.00	\$459,930.39	14.22:1	\$406,548.23	\$37,630.16	\$904,108.78	7.23:1
Tax Class 7 (> 3,649)	\$2,372,461.00	\$168,754.10	14.06:1	\$146,295.87	\$13,649.21	\$328,699.18	7.22:1
Tax Class U (Undeveloped)	\$135,248.00	\$0.00	N/A	\$0.00	\$778.11	\$778.11	N/A
<i>Subtotal for Taxable Parcels <sup>[3]</sup></i>	<i>\$181,830,482.00</i>	<i>\$10,325,000.00</i>	<i>17.61:1</i>	<i>\$11,878,000.00</i>	<i>\$1,046,104.93</i>	<i>\$23,249,104.93</i>	<i>7.82:1</i>
Tax Class E (Exempt)	\$13.00	\$0.00	N/A	\$0.00	\$0.07	\$0.07	N/A
<b>Total <sup>[3]</sup></b>	<b>\$181,830,495.00</b>	<b>\$10,325,000.00</b>	<b>17.61:1</b>	<b>\$11,878,000.00</b>	<b>\$1,046,105.00</b>	<b>\$23,249,105.00</b>	<b>7.82:1</b>

[1] Total Assessed Value as reported on the Fiscal Year 2019/2020 equalized tax roll of the County of Riverside.

[2] Source: Detailed Direct and Overlapping Debt Report, National Tax Data, Inc. (attached as Exhibit E).

[3] Totals may not sum due to rounding.



**EXHIBIT G**

**Reports to the California Debt and Investment Advisory Commission**

**STATE OF CALIFORNIA**

**MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)  
YEARLY FISCAL STATUS REPORT**

Submitted:  
Wednesday, October 30, 2019  
8:41:51AM  
CDIAC #: 2018-0295

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
(916) 653-3269 Fax (916) 654-7440

For Office Use Only
Fiscal Year _____

**I. GENERAL INFORMATION**

A. Issuer Lake Elsinore Unified School District CFD No 2006-2

B. Project Name IA No B

C. Name/ Title/ Series of Bond Issue 2018 Special Tax Bonds

D. Date of Bond Issue 3/7/2018

E. Original Principal Amount of Bonds \$4,640,000.00

F. Reserve Fund Minimum Balance Required Yes  Amount \$350,451.04 No

**II. FUND BALANCE FISCAL STATUS**

Balances Reported as of: 6/30/2019

A. Principal Amount of Bonds Outstanding \$4,640,000.00

B. Bond Reserve Fund \$350,885.61

C. Capitalized Interest Fund \$0.00

D. Construction Fund(s) \$2,443,917.87

**III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX**

A. Assessed or Appraised Value Reported as of: 7/1/2019

From Equalized Tax Roll

From Appraisal of Property  
*(Use only in first year or before annual tax roll billing commences)*

B. Total Assessed Value of All Parcels \$181,830,482.00

**IV. TAX COLLECTION INFORMATION**

A. Total Amount of Special Taxes Due Annually \$465,531.26

B. Total Amount of Unpaid Special Taxes Annually \$7,253.96

C. Does this agency participate in the County's Teeter Plan? N

**V. DELINQUENT REPORTING INFORMATION**

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 6/30/2019

A. Total Number of Delinquent Parcels: 11

B. Total Amount of Taxes Due on Delinquent Parcels: \$8,329.80  
*(Do not include penalties, penalty interest, etc.)*

**VI. FORECLOSURE INFORMATION FOR FISCAL YEAR**

*(Aggregate totals, if foreclosure commenced on same date)* (Attach additional sheets if necessary.)

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
G-1		\$0.00

STATE OF CALIFORNIA

MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)  
YEARLY FISCAL STATUS REPORT

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(916) 653-3269 Fax (916) 654-7440

For Office Use Only Fiscal Year _____
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**VII. ISSUE RETIRED**

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.  
(Indicate reason for retirement)

Matured  Redeemed Entirely  Other

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:

and redemption date:

If Other:

and date:

**VIII. NAME OF PARTY COMPLETING THIS FORM**

Name Larry Ferchaw  
Title Partner  
Firm/ Agency Cooperative Strategies, LLC  
Address 8955 Research Drive  
City/ State/ Zip Irvine, CA 92618  
Phone Number (949) 250-8300 Date of Report 10/30/2019  
E-Mail taxinfo@coopstrategies.com

**IX. ADDITIONAL COMMENTS:**

Due to unavailability of the 6/30/2019 data from County of Riverside, Sections IV and V reflect data as of 10/21/2019.

Completion and submittal of this form to the California Debt and Investment Advisory Commission will assure your compliance with California State law. Section 53359.5 of the California Government Code requires that all agencies issuing Mello-Roos Community Facilities bonds after January 1, 1993 to report specific information to the Commission by October 30th of each year.