

RESOLUTION NO. 2018-45

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN
BAUTISTA, CALIFORNIA, DECLARING ITS INTENTION TO
ESTABLISH THE SAN JUAN BAUTISTA COMMUNITY FACILITIES
DISTRICT NO. 2018-01 AND TO AUTHORIZE THE LEVY OF A
SPECIAL TAX THEREIN TO FINANCE CERTAIN SERVICES AND
SETTING THE PUBLIC HEARING TO CONSIDER THE
ESTABLISHMENT OF THE PROPOSED DISTRICT**

WHEREAS, the City Council of the City of San Juan Bautista, California (the “City Council”), desires to initiate proceedings to create a community facilities district pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”) and the City of San Juan Bautista Community Facilities District Ordinance enacted pursuant to the powers reserved by the City of San Juan Bautista under Sections 3, 5 and 7 of Article XI of the Constitution of the State of California (the “Ordinance”) (the Act and the Ordinance may be referred to collectively as the “Community Facilities District Law”). This community facilities district shall hereinafter be referred to as Community Facilities District No. 2018-01 (the “District”);

WHEREAS, this City Council is now required to proceed to adopt its resolution of intention to initiate the proceedings for the establishment of such District, to set forth the boundaries for such District, to indicate the type of public services to be financed by such District, to indicate a rate and method of apportionment of special taxes proposed to be levied within the District sufficient to finance such services and to set a time and place for a public hearing relating to the establishment of such District;

WHEREAS, this City Council directs, pursuant to the provision of Section 53321.5 of the Government Code of the State of California, the preparation of a community facilities district report (the “District Report”) to provide more detailed information relating to the proposed District, the services proposed to be financed from the proceeds of such special taxes to be levied within the District, and the estimate of the cost of providing such services;

WHEREAS, a map of such District has been submitted showing the boundaries of the territory proposed to be included in the District which territory includes the properties and parcels of land proposed to be subject to the levy of a special tax by the District; and

NOW, THEREFORE, IT IS HEREBY RESOLVED:

SECTION 1. Recitals. The above recitals are all true and correct.

SECTION 2. Initiation of Proceedings. These proceedings are initiated by this City Council pursuant to the provisions of the Community Facilities District Law.

SECTION 3. Boundaries of District. It is the intention of this City Council to establish the District pursuant to the provisions of the Community Facilities District Law, and to determine the boundaries and parcels on which special taxes may be levied to finance certain services. A description of the boundaries of the territory proposed for inclusion in the District including properties and parcels of land proposed to be subject to the levy of a special tax by the District is as follows:

All that property within the residential development designated as "Copperleaf - Tract 337", within the boundaries of the City of San Juan Bautista, County of San Benito, State of California. Also identified as Assessor's parcel numbers 002-610-007 through 002-610-051 (45 residential lots).

Lots 1 through 58 of Tract Map 322, Phases 1, 2, 3 & 4. Lots 59 through 88 of Tract Map 322, Phases 5, 6, & 7, titled "Rancho Vista", within the boundaries of the City of San Juan Bautista, County of San Benito, State of California. Also currently identified as Assessor's parcel numbers 002-220-011 and 002-620-050 (85 residential lots).

SECTION 4. Name of District. The proposed Community Facilities District shall be known and designated as "Community Facilities District No. 2018-01".

SECTION 5. Description of Services. It is the intention of this City Council to finance certain services (the "Services") that are in addition to those provided in the territory within the District and will not be replacing services already available. A general description of the services to be provided is set forth in Exhibit "A" attached hereto and incorporated by this reference.

SECTION 6. Special Tax. It is hereby further proposed that, except where funds are otherwise available, a special tax sufficient to pay for the Services, to establish or replenish a reserve fund, the replacement costs of park or other public improvements within the District and related incidental expenses authorized by the Community Facilities District Law, secured by recordation of a continuing lien against all non-exempt real property in the District, will be levied annually within the boundaries of the District. For further particulars as to the Rate and Method of Apportionment of the special tax proposed to be levied, reference is made to the attached and incorporated Exhibit "B," which sets forth in sufficient detail the method of apportionment to allow each landowner or resident within the District to clearly estimate the maximum amount that such person will have to pay for such services.

Under no circumstances will the special tax levied in any fiscal year against any residential parcel be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the District by more than 10 percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. A parcel shall be considered "used for private residential purposes" not later than the date on which an occupancy permit or the equivalent for private residential use is issued for such parcel.

The special tax herein proposed, to the extent possible, shall be collected in the same manner as ad valorem property taxes or in such other manner as this City Council or its designee shall determine, including, without limitation, direct billing of the affected property owners, and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the Treasurer of the City of San Juan Bautista (the "City"), acting for and on behalf of the District.

The special tax obligation for any parcel may not be prepaid.

Pursuant to Government Code Section 53340 and except as provided in Government Code Section 53317.3, properties of entities of the state, federal, and local governments shall be exempt from the levy of the special tax.

SECTION 7. Community Facilities District Report. The Director of Development Services is hereby directed and ordered to prepare, or cause the preparation of the District Report to be presented to this City Council, generally containing the following: (1) a full and complete description of the services proposed to be financed from the levy of the special tax, (2) a general cost estimate setting forth costs of providing such services, and (3) further information regarding the implementation of the rate and method of apportionment of the special tax proposed to be levied within the District. The District Report, upon its preparation, shall be submitted to this City Council for review, and the District Report shall be made a part of the record of the public hearing on the resolution of intention to establish such District.

SECTION 8. Public Hearing. Notice is given that on **October 16, 2018** at the meeting place of the City Council, being the Council Chambers, located at 311 Second Street, San Juan Bautista, California, a public hearing will be held where this City Council will consider the establishment of the proposed District, the proposed rate and method of apportionment of the special taxes proposed to be levied within the District, and all other matters as set forth in this resolution of intention. At the above-mentioned time and place for public hearing any persons interested, including taxpayers and property owners may appear and be heard. The testimony of all interested persons for or against the establishment of the District, the extent of the District, or the furnishing of the services, will be heard and considered. Any protests may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk of the City Council on or before the time fixed for the public hearing. Written protests may be withdrawn in writing at any time before the conclusion of the public hearing.

If a majority file written protests against the establishment of the District, the proceedings shall be abandoned. If such majority protest is limited to certain services or portions of the special tax, those services or that portion of the special tax shall be eliminated by the City Council.

SECTION 9. Election. If, following the public hearing described in Section 8 above, the City Council determines to establish the District and proposes to levy a special tax within the District, the City Council shall then submit the levy of the special taxes to the qualified electors of the District. If at least twelve (12) persons, who need not necessarily be the same twelve (12) persons, have been registered to vote within the District for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters of the District, with each voter having one (1) vote. Otherwise, the vote shall be by the landowners of the District who were the owners of record at the close of the subject hearing, with each landowner or the authorized representative thereof, having one (1) vote for each acre or portion of an acre of land owned within the District.

A successful election relating to the special tax authorization shall, as applicable, establish and/or change the appropriations limit as authorized by Article XIII B of the California Constitution as it is applicable to this District.

SECTION 10. Notice. Notice of the time and place of the public hearing shall be given by the City Clerk by causing a Notice of Public Hearing to be published in the legally designated newspaper of general circulation, such publication pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing.

SECTION 11. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 21st day of August, 2018, by the following vote:

AYES: West, Boch, Freeman, Martorana

NOES: None

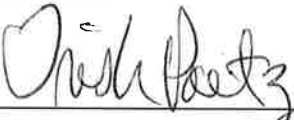
ABSENT: DeVries

ABSTAIN: None



Jim West, Mayor

ATTESTED and I HEREBY CERTIFY that the foregoing resolution was duly passed and adopted by the City Council of the City of San Juan Bautista at a regular meeting thereof held on the 21st day of August, 2018, and that the foregoing is a full, true and correct copy of said Resolution.



Trish Paetz, Deputy City Clerk

EXHIBIT A

COMMUNITY FACILITIES DISTRICT NO. 2018-01

List of Public Facilities to be Maintained

The Community Facilities District will fund, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982), including all related administrative costs, expenses and related reserves:

- Landscape Maintenance
- Park Maintenance
- Street and Sidewalk Maintenance
- Curb & Gutter Maintenance
- Street Lighting Maintenance
- Storm Drain Maintenance
- Sound Wall Maintenance
- Graffiti Abatement
- Mosquito Abatement
- Storm Drain Maintenance
- Recreational Equipment Maintenance

Please refer to Exhibit B, Rate and Method of Apportionment for additional information related to the services provided.

EXHIBIT B

RATE AND METHOD OF APPORTIONMENT FOR CITY OF SAN JUAN BAUTISTA COMMUNITY FACILITIES DISTRICT NO. 2018-01

The City of San Juan Bautista (the "City") initiated proceedings to establish Community Facilities District No. 2018-01 on August 21, 2018, by Resolution No. 2018-45 (herein after referred to as "the District" or "CFD") for the purpose of funding the ongoing operation, maintenance and servicing of certain improvements, as detailed in this Rate and Method of Apportionment of Special Tax (herein after referred to as the "RMA").

Properties within the CFD's future annexation area shall be annexed into the CFD as new development occurs, unless exempted by law or by the provisions set forth in Section F below. The CFD's future annexation area shall be defined as the boundaries of the City. A boundary map showing the future annexation area, as well as diagrams showing all Parcels currently within the CFD, are included in Exhibit A of this RMA. In compliance with the proceedings governing the formation of the CFD and according to the provisions of the adoption of this RMA, the Special Tax is proposed to be levied on each taxable Parcel within the boundaries of the CFD, except those exempted by law or the express provisions set forth in this RMA.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map or secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the Parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and Geographic Information Systems (GIS). The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

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

"Administrative Expenses" means the actual or reasonably estimated costs incurred by the Administrator acting for and on behalf of the CFD, to determine, levy and collect the Special Taxes, in responding to public inquiries regarding the Special Taxes, including general administrative costs, fees of consultants and legal counsel providing services related to the administration of the CFD; any amounts estimated or advanced by the City or CFD for any other administrative purposes; and, any other costs required to administer the CFD as determined by the Administrator.

"Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“Annual Tax Escalation Factor” means in each Fiscal Year following the Base Year, an increase in the Maximum Special Tax in effect in the prior Fiscal Year by an amount equal to the greater of (i) the annual average Consumer Price Index (CPI), for San Francisco-Oakland-Hayward, All Urban Consumers (CPI-U) as published by the Department of Labor’s Bureau of Labor Statistics, or (ii) two percent (2.0%). If the CPI listed above is no longer published, the Administrator shall select a new index that is reasonably comparable to the CPI that is no longer published for purposes of calculating the Annual Tax Escalation Factor.

“Annual Special Tax” means the total Special Tax levied against a Taxable Property in the CFD in a fiscal year.

“Assessor’s Parcel” means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor’s Parcel Number.

“Assessor’s Parcel Number” or “APN” means a unique number assigned to an Assessor’s Parcel by the County Assessor for purposes of identifying a property.

“Authorized Services” means those authorized maintenance activities and/or services, and expenses that may be funded by the CFD pursuant to the Act as amended, including, without limitation, those services authorized to be funded by the CFD as set forth in the documents adopted by the City Council at the time the CFD was formed.

“Base Year” means the Fiscal Year beginning July 1, 2018 and ending June 30, 2019.

“Building Permit” means a single permit or set of permits required to construct an entire residential or non-residential structure, which is issued by the City prior to July 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Capital Replacement Reserve Fund” means a fund that shall be maintained for the CFD for each Fiscal Year to provide for the accumulation and holding of funds for long-term capital projects, asset replacement, or other large anticipated expenditures.

“CFD” means the City of San Juan Bautista Community Facilities District No. 2018-01.

“City” means the City of San Juan Bautista.

“City Council” means the City Council of the City, acting as the legislative body of the CFD.

“City Manager” means the City Manager of the City of San Juan Bautista or designee.

“Commercial Property” means, in any fiscal year, all Developed Property for which a building permit or use permit has been issued for a commercial establishment which includes, but is not limited to, retail stores, clothing stores, book stores, convenience stores, drug stores, professional services (i.e., barber shops, dry cleaners), restaurants, supermarkets, hospitals, movie theaters, appliance and electronics stores, home supply stores, auto parts stores, and other retail uses. The City shall make the determination if a Parcel is Commercial Property.

“County” means the County of San Benito, State of California.

“County Assessor” means the Assessor of the County or his or her designee.

“County Recorder” means the Recorder of the County or his or her designee.

“Developed Property” means all Taxable Property for which a building permit was issued prior to the July 1st preceding the Fiscal Year in which the Special Tax is being levied.

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

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to law or Section F herein.

“Final Subdivision Map” means a subdivision of property creating residential or non-residential buildable lots by recordation of a Final Subdivision Map or Parcel Map pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.), or recordation of a condominium plan pursuant to the California Civil Code 1352, that creates individual lots for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting July 1st and ending on the following June 30th.

“Hotel Property” means, in any fiscal year, a Developed Property for which a building permit or use permit has been issued for a structure that constitutes a place of lodging providing sleeping accommodations and related facilities for travelers.

“Industrial Property” means, in any fiscal year, a Developed Property for which a building permit or use permit has been issued for construction of an industrial, manufacturing, or warehousing structure. The City shall make the determination if a Parcel is Industrial Property.

“Multi-Family Property” means, in any fiscal year, all Parcels of Developed Property for which a building permit or use permit has been issued for construction of a residential structure with five (5) or more Units that share a single Assessor’s Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers.

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C, which may be levied in any fiscal year on any Assessor’s Parcel of Taxable Property.

“Operating Fund” means a fund that shall be maintained for the CFD each Fiscal Year to provide for the maintenance and administration of the CFD, including a reserve fund to pay for delinquencies in the payment of Special Taxes.

“Operating Fund Requirement” means, for any Fiscal Year, an amount equal to costs associated with providing the Authorized Services and managing the CFD. In no event shall the Operating Fund Requirement in any Fiscal Year exceed the Special Tax Requirement for the CFD, without crediting the property owner’s annual special tax levy in an amount equal to the funds available that are in excess of the Special Tax Requirement.

“Operating Reserve Fund” means the amount held in a fund that is used to pay for delinquencies in the payment of Special Taxes and any insufficiencies in funds to pay maintenance and administrative costs of the CFD.

“Proportionately” means for Taxable Property that the ratio of the Annual Special Tax to the Maximum Special Tax is equal for all Taxable Property levied within each parcel classification as identified in Tables 1 and 2 herein and within the boundaries of the CFD.

“Public Property” means any property within the boundaries of the CFD which (i) is owned by a public agency or expected to be owned by the federal government, State of California, County, City, or other public agency at the time of formation, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and acreage on a Final Subdivision Map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County or the City.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure consisting of two (2) or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them, and are offered as for-sale Units, including such residential structures that meet the statutory definition of a condominium contained in California Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means the Special Tax levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount, as determined by the Administrator, for any Fiscal Year to: (i) pay the costs of providing the Authorized Services during such fiscal year, (ii) pay Administrative Expenses associated with the Special Tax, (iii) establish or replenish the Operating Reserve Fund, (iv) establish or replenish the Capital Replacement Reserve Fund, (v) pay incidental expenses related to the Authorized Services as authorized pursuant to the Act, (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding Fiscal Year where such shortfall resulted from delinquencies in the payment of Special Taxes in such Fiscal Year that exceeded the estimated Special Tax delinquency amount included in the Special Tax Requirement for the preceding Fiscal Year, less (vii) any excess funds available in the Operating Reserve Fund, Capital Replacement Reserve Fund, or other funds associated with the CFD as determined by the Administrator.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the CFD that are not Exempt Property.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. Additional Tax Zones may be created when property is annexed to the CFD and a separate Maximum Special Tax shall be identified for property within the new Tax Zone at the time of such annexation. All of the property within the boundaries of the CFD and at the time of formation of the CFD are in either Tax Zone No. 1 or Tax Zone No. 2.

“Tax Zone No. 1” means all property located within the area identified as Tax Zone No. 1 in Exhibit A to this RMA, subject to the interpretation of the Administrator as described in Section B.

“Tax Zone No. 2” means all property located within the area identified as Tax Zone No. 2 in Exhibit A to this RMA, subject to the interpretation of the Administrator as described in Section B.

“Undeveloped Property” means, in any Fiscal Year, all parcels of Taxable Property in the CFD for which a building permit for new construction was not issued by June 30th of the preceding Fiscal Year.

“Unit” means an individual single-family detached unit, or an individual attached residential unit within a duplex, triplex, four-plex, townhome, condominium, or apartment structure.

B. ASSIGNMENT TO CATEGORIES OF SPECIAL TAX

Each Fiscal Year, beginning with Fiscal Year 2018/19, using the definitions above, each Assessor’s Parcel within the boundaries of CFD No. 2018-01 shall be classified by the Administrator as Taxable Property or Exempt Property. Commencing with Fiscal Year 2018/19 and for each subsequent fiscal year, Taxable Property shall be subject to the levy of Special Taxes pursuant to Section C below. In addition, in each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified by the Administrator as Developed Property or Undeveloped Property.

C. MAXIMUM SPECIAL TAX RATE

The Maximum Special Tax for any Assessor’s Parcel classified as Developed Property or Undeveloped Property shall be determined by reference to the following tables:

TABLE 1
Tax Zone No. 1 – Copperleaf
Maximum Special Tax Rates
Community Facilities District No. 2018-01

Taxable Property Type	Maximum Special Tax
Single Family Residential	\$855.12 per parcel
Multi-Family Residential	\$513.07 per unit
Condominium-Townhome	\$641.34 per parcel/unit
Commercial	\$3,420.48 per acre
Hotel	\$342.05 per room
Industrial	\$1,710.24 per acre
Vacant-Undeveloped	\$213.78 per acre

TABLE 2
Tax Zone No. 2 – Rancho Vista
Maximum Special Tax Rates
Community Facilities District No. 2018-01

Taxable Property Type	Maximum Special Tax
Single Family Residential	\$1,091.14 per parcel
Multi-Family Residential	\$654.68 per unit
Condominium-Townhome	\$818.36 per parcel
Commercial	\$4,364.56 per acre
Hotel	\$436.46 per room
Industrial	\$2,182.28 per acre
Vacant-Undeveloped	\$272.78 acre

Under no circumstances will the Special Tax levied against any Assessor's Parcel be increased because of delinquency or default by the owner of any other Assessor's Parcel within the CFD by more than ten percent (10%) above what such Special Tax would have been in the absence of delinquencies.

Escalation of the Maximum Special Tax

Each Fiscal Year following the Base Year, the Maximum Special Tax shall be increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this Rate and Method of Apportionment of Special Tax.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing with Fiscal Year 2018/19, and for each subsequent Fiscal Year, the Administrator shall levy the Special Tax at the rates established in Section C on all Taxable Property within the boundaries of CFD No. 2018-01 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

1. The Special Tax shall be levied proportionately on each Assessor's Parcel of Developed Property up to one hundred percent (100%) of the applicable Maximum Special Tax.
2. If additional monies are needed to satisfy the Special Tax Requirement after Developed Property has been levied one hundred percent (100%) of their Maximum Special Tax, the remaining amount needed to satisfy the Special Tax Requirement shall be levied proportionately on each Assessor's Parcel of Undeveloped Property at up to one hundred percent (100%) of the Maximum Special Tax.

E. EXEMPTIONS

The Administrator shall classify the following as Exempt Property: Public Property and Assessor's Parcels with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement.

If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as Exempt Property under this section, such Assessor's Parcel shall be deemed to be Taxable Property.

F. PREPAYMENT OF SPECIAL TAX

The Maximum Special Tax may not be prepaid and shall continue to be levied in accordance with Section D of this Rate and Method of Apportionment of Special Tax on an annual basis on all Taxable Property in the CFD for the purpose of funding the ongoing Authorized Services.

G. TERM OF THE SPECIAL TAX

Parcels in the CFD will remain subject to the Special Tax in perpetuity, unless and until such time the City determines the revenues are no longer needed, in which case the Special Tax shall cease to be levied and the City shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished. The Notice of Cessation of Special Tax shall additionally identify the book and page of the Book of Maps of Assessment and Community Facilities Districts where the map of the boundaries of the CFD is recorded.

H. REVIEW/APPEALS

The Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal of any property owner. The Administrator shall interpret this Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner who believes that the amount of the Special Tax levied on their Assessor's Parcel is in error shall first consult with the Administrator regarding such error. If following such consultation, the Administrator determines that an error has occurred, the Administrator or designee shall take any of the following actions to correct the error:

- Amend the Special Tax levy on the property owner's Assessor's Parcel(s) for the current fiscal year,
- Require the CFD to reimburse the property owner for the amount of an overpayment to the extent of available CFD funds, or,
- Grant a credit against, eliminate or reduce the future Special Taxes on the property owner's Assessor's Parcel(s) for overpayment for the current fiscal year.

If following such consultation and action (if any by the Administrator), the property owner believes such error still exists, such person may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action (if any by the City Manager), the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. If the City Manager, City Council or designee determines an error exists, the CFD Administrator shall take any actions as described in this section, in order to correct the error. The decision of the City Council shall be final and binding to all persons.

I. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that does not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. The City may make interpretations by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

J. 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 the Administrator, may, at the sole discretion of the City, directly bill the Special Tax, and may collect the Special Taxes at a different time or in a different manner as necessary to meet the financial obligations of CFD No. 2018-01 or as otherwise determined appropriate by the Administrator.

K. REPEAL OF SPECIAL TAX

If the levy of the Special Tax is repealed by initiative or any other action participated in by the property owners of Assessor's Parcels in CFD No. 2018-01, the City shall cease to levy the Special Tax and shall cease to be obligated to provide the Authorized Services for which the Special Tax was levied. The obligation to provide the Authorized Services previously funded by the repealed Special Tax shall become the joint obligations of the property owners of Assessor's Parcels within CFD No. 2018-01.

EXHIBIT A

A copy of the Boundary Map for the CFD is on the following pages.

SHEET 1 OF 2

PROPOSED BOUNDARIES OF
CITY OF SAN JUAN BAUTISTA
COMMUNITY FACILITIES DISTRICT NO. 2018-01
(PUBLIC SERVICES)
COUNTY OF SAN BENITO
STATE OF CALIFORNIA

Assessor Parcels within C.F.D. No. 2018-01 (Public Services):		
002-220-009	002-610-023	002-610-040
002-610-007	002-610-024	002-610-041
002-610-008	002-610-025	002-610-042
002-610-009	002-610-026	002-610-043
002-610-010	002-610-027	002-610-044
002-610-011	002-610-028	002-610-045
002-610-012	002-610-029	002-610-046
002-610-013	002-610-030	002-610-047
002-610-014	002-610-031	002-610-048
002-610-015	002-610-032	002-610-049
002-610-016	002-610-033	002-610-050
002-610-017	002-610-034	002-610-051
002-610-018	002-610-035	002-610-052
002-610-019	002-610-036	002-610-053
002-610-020	002-610-037	012-100-018
002-610-021	002-610-038	
002-610-022	002-610-039	

The CFD Future Annexation Area is co-terminous with the boundary of the City of San Juan Bautista combined with the City's Sphere of Influence as of February 16, 2016.

Reference is hereby made to the Assessor maps of the County of San Benito for a description of the lines and dimensions of these parcels.

(1) Filed in the office of the Clerk of the City of San Juan Bautista this ____ day of _____, 2018.

Mackenzie Quaid, City Clerk of San Juan Bautista

(2) I hereby certify that the within map showing the proposed boundaries of City of San Juan Bautista Community Facilities District No. 2018-01 (Public Services), County of San Benito, State of California, was approved by the City Council of the City of San Juan Bautista at a regular meeting thereof, held on this ____ day of _____, 2018, by its Resolution No. _____.

Mackenzie Quaid, City Clerk of San Juan Bautista

(3) Filed this ____ day of _____, 2018, 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 in the County of San Benito, State of California.

Joe Paul Gonzalez
County Clerk-Auditor-Recorder of San Benito County
By _____ Deputy
Fee _____

Exempt recording requested,
per CA Government Code §6103

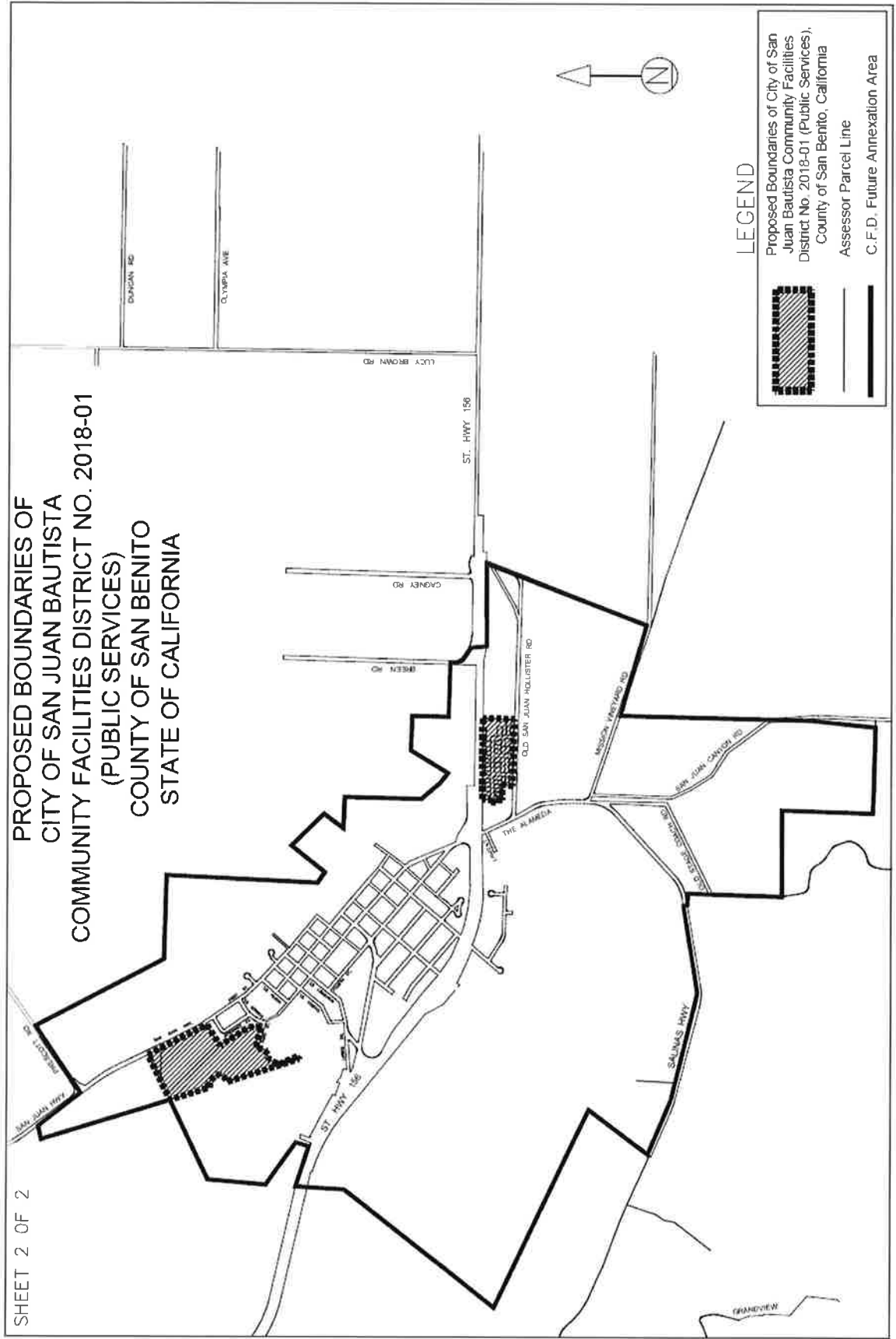


EXHIBIT B
City of San Juan Bautista
Community Facilities District No. 2018-01
(Maintenance Services)

The list of Authorized Services and associated costs shown below will be used to determine the Maximum Special Tax for all future annexations (Tax Zones) to the CFD.

AUTHORIZED SERVICE - MAINTENANCE	UNIT	COST PER UNIT/ITEM
Park Maintenance	SF	\$0.12
Utilities - Water*	1K GL	\$6.35
Street Trees	EA	\$10.00
Landscape Maintenance	SF	\$0.12
Open Space Maintenance	SF	\$0.12
Detention Basin	SF	\$0.12
Wetlands Maintenance	SF	\$0.12
Lift Station	Mo	\$450.00
Irrigated Slope Maintenance	SF	\$0.12
Non-Irrigated Slope Maintenance	SF	\$0.06
Chain Link Fencing	LF	\$0.10
Wood/Wire Fencing	LF	\$0.07
Split-Rail Wood Fencing	LF	\$0.07
Fitness Stations	Mo	\$20.00
Play Structure 2-5 Years of Age	Mo	\$5.00
Play Structure 5-12 Years of Age	Mo	\$5.00
Fitness/Walking Trail	SF	\$0.07
Maintenance Road	SF	\$1.00
Sound Wall - Painting & Graffiti Abatement	SF	\$0.10
Sound Wall - Tile Replacement	LF	\$0.10
Mosquito Abatement	Mo	\$55.00
Street Lights - Maintenance & Utilities	EA	\$30.00
Street Sweeping	SF	\$0.02
Throughout Interior of Tract - Storm Drains	EA	\$7.50
* 1K GL = 1, 000 gallons. City cost is \$6.35 per 1,000 gallons of water used.		

EXHIBIT B *(Cont'd)*
City of San Juan Bautista
Community Facilities District No. 2018-01
(Maintenance Services)

AUTHORIZED SERVICE - REPLACEMENT	UNIT	COST PER UNIT/ITEM
Street Lights - Pole Replacement	EA	\$3,000.00
Street Lights - LED Power Module	EA	\$150.00
Street Lights - LED Optical Module	EA	\$750.00
Street Maintenance - Slurry Seal/Chip Seal	SY	\$5.70
Street Maintenance - Crack Repair	SY	\$2.40
Street Maintenance - Overlay	SY	\$27.00
Sidewalks - Repair/Replace	SF	\$7.00
Irrigation Controllers	EA	\$3,500.00
Lift Station Well & Piping	EA	\$150,000.00
Lift Station Controls	EA	\$5,000.00
Lift Station Pump	EA	\$8,500.00
Sound Wall	SF	\$1.50
Fitness Station	EA	\$5,500.00
Play Structure 2-5 Years of Age	EA	\$19,500.00
Play Structure 5-12 Years of Age	EA	\$28,500.00
Chain Link Fencing	LF	\$12.00
Wood/Wire Fencing	LF	\$12.00
Split-Rail Wood Fencing	LF	\$12.00
Cluster Mail Boxes	EA	\$2,500.00

EXHIBIT B (Cont'd)
City of San Juan Bautista
Community Facilities District No. 2018-01
(Maintenance Services)

AUTHORIZED SERVICE - ADMINISTRATION	UNIT	COST PER UNIT/ITEM
City Personnel ¹	EA	Varies
Operating Reserve ²	EA	Varies
District Administration ³	EA	Varies
Rounding Factor ⁴	EA	Varies
County Costs	P/Pcl	\$0.30

¹ 10% of Maintenance Costs, divided by # of parcels

² 10% of Maintenance Costs, divided by # of parcels

³ Varies with development, divided by # of parcels

⁴ Required to make the Special Tax amount an even penny for tax roll purposes