
Westside Union School District

Improvement Area A of
Community Facilities District No. 2007-1
Annual Special Tax Report
Fiscal Year 2016/2017

December 1, 2016



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INTRODUCTION

Improvement Area (“IA”) A of Community Facilities District No. 2007-1 (“CFD No. 2007-1”) of the Westside Union School District (the “School District”) was formed pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982”, as amended (the “Act”), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California. CFD No. 2007-1 is authorized under the Act to finance certain facilities (the “Authorized Facilities”) as established at the time of formation.

This Annual Special Tax Report (the “Report”) summarizes certain general and administrative information and analyzes the financial obligations of IA A of CFD No. 2007-1 for the purpose of establishing the Annual Special Tax Levy for Fiscal Year 2016/2017. The Annual Special Tax Levy is calculated pursuant to the First Amended Rate and Method of Apportionment (the “RMA”) which is attached to this Report as Exhibit A.

All capitalized terms not defined herein are used and defined in the RMA.

This Report is organized into the following Sections:

Section I – CFD Background

Section I provides background information relating to the formation of IA A CFD No. 2007-1.

Section II – Fiscal Year 2015/2016 Special Tax Levy

Section II provides information regarding the levy and collection of Special Taxes for Fiscal Year 2015/2016 and an accounting of the remaining collections.

Section III – Senate Bill 165

Section III provides information required under Senate Bill 165 (“SB 165”) regarding the initial allocation of bond proceeds and the expenditure of the Annual Special Taxes and bond proceeds utilized to fund the Authorized Facilities of IA A of CFD No. 2007-1 for Fiscal Year 2015/2016.

Section IV – Minimum Annual Special Tax Requirement

Section IV calculates the Minimum Annual Special Tax Requirement based on the obligations of IA A of CFD No. 2007-1 for Fiscal Year 2016/2017.

Section V – Special Tax Classification

Section V provides updated information regarding the Special Tax classification of parcels within IA A CFD No. 2007-1.

Section VI – Fiscal Year 2016/2017 Special Tax Levy

Section VI provides the Fiscal Year 2016/2017 Special Tax levy based on updated Special Tax classifications and the Minimum Annual Special Tax Requirement.

I. CFD BACKGROUND

This Section provides background information regarding the formation of IA A of CFD No. 2007-1 to fund the Authorized Facilities.

A. Location

IA A of CFD No. 2007-1 is located along the westerly side of 50th Street West, from Avenue J4 West at the north to Avenue J8 West at the south, and extending westerly to Avenue J-6 West. This location is in the westerly part of the City of Lancaster (the “City”), with unincorporated areas of Los Angeles County. This location is also about 3 miles west of Highway 14/138 (Antelope Valley Freeway), and within ½ mile north of the City of Palmdale. For reference, the boundary map of IA A of CFD No. 2007-1 is included as Exhibit B and the current Assessor’s Parcel maps are included as Exhibit C.

B. Formation

CFD No. 2007-1 was formed and established by the School District on September 18, 2007, under the Act, following a public hearing conducted by the Board of Trustees of the School District (the “Board”), as legislative body of CFD No. 2007-1, and a landowner election at which the qualified electors of CFD No. 2007-1 authorized IA A of CFD No. 2007-1 to incur bonded indebtedness in an amount not to exceed \$7,000,000 and approved the levy of Annual Special Taxes.

CFD No. 2007-1 was also formed in connection with a School Facilities Impact Mitigation Agreement approved on March 20, 2007 (the “Mitigation Agreement”), by and between the CFD No. 2007-1 and Stratham Montecito West, Inc., a California Corporation.

CFD No. 2007-1 was formed to finance the acquisition/construction of school facilities that will directly or indirectly serve students generated from residential units constructed within CFD No. 2007-1. In addition, CFD No. 2007-1 will finance all or a portion of the fees of the County of Los Angeles Waterworks District (“Water District”), County of Los Angeles Sanitation District (“Sanitation District”), Antelope Valley East Kern Water Agency (“Water Agency”), and the Antelope Valley Union High School District (“High School District”). The Schools

Facilities Impact Mitigation Agreement establishes the terms by which CFD No. 2007-1 will finance all or a portion of the Water District, High School District, Water Agency, and Sanitation District fees associated with the anticipated development within CFD No. 2007-1.

The table below provides information related to the formation of CFD No. 2007-1.

Resolution	Board Meeting Date	Resolution No.
Resolution of Intention	March 20, 2007	07-20
Resolution to Incur Bonded Indebtedness	March 20, 2007	07-21
Resolution of Formation	September 18, 2007	08-12
Resolution of Necessity	September 18, 2007	08-13
Resolution Calling Election	September 18, 2007	08-14
Ordinance Levying Special Taxes	September 18, 2007	08-15

II. FISCAL YEAR 2015/2016 ANNUAL SPECIAL TAX LEVY

Each Fiscal Year, IA A of CFD No. 2007-1 levies and collects Annual Special Taxes pursuant to the RMA in order to meet the obligation for that Fiscal Year. This Section provides a summary of the levy and collection of Annual Special Taxes in Fiscal Year 2015/2016.

A. Special Tax Levy

The Special Tax levy for Fiscal Year 2015/2016 is summarized by Special Tax classification in the table below.

**Fiscal Year 2015/2016
Annual Special Tax Levy**

Tax Class	Building Square Footage	Number of Units/Acres	Assigned Annual Special Tax Rate	Total Assigned Annual Special Taxes
1	< 2,350	1 Unit	\$2,984.72 per Unit	\$2,984.72
2	2,350 - 2,600	3 Units	\$3,042.92 per Unit	9,128.76
3	2,601 - 2,850	4 Units	\$3,072.06 per Unit	12,288.24
4	2,851 - 3,100	0 Units	\$3,255.62 per Unit	0.00
5	3,101 - 3,350	0 Units	\$3,359.08 per Unit	\$0.00
6	3,351 - 3,600	5 Units	\$3,596.06 per Unit	17,980.30
7	> 3,600	0 Units	\$3,673.70 per Unit	0.00
Undeveloped	N/A	12.36 Acres	\$0.00 per Acre	0.00
Total		13 Units		\$42,382.02

B. Annual Special Tax Collections and Delinquencies

Delinquent Annual Special Taxes for IA A of CFD No. 2007-1, as of June 30, 2016, for Fiscal Year 2015/2016 and prior Fiscal Years are summarized in the table on the next page. A detailed listing of the Fiscal Year 2015/2016 Delinquent Annual Special Taxes, based on the year end collections is provided as Exhibit D.

IA A of CFD No. 2007-1
Annual Special Tax Collections and Delinquencies

Fiscal Year	Subject Fiscal Year					June 30, 2016	
	Aggregate Special Tax	Parcels Delinquent	Amount Collected	Amount Delinquent	Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2010/2011	\$38,386.62	0	\$38,386.62	\$0.00	0.00%	\$0.00	0.00%
2011/2012	39,154.36	0	39,154.36	0.00	0.00%	0.00	0.00%
2012/2013	39,937.40	0	39,937.40	0.00	0.00%	0.00	0.00%
2013/2014	40,736.24	0	40,736.24	0.00	0.00%	0.00	0.00%
2014/2015	41,550.96	0	41,550.96	0.00	0.00%	0.00	0.00%
2015/2016	42,382.02	0	42,382.02	0.00	0.00%	0.00	0.00%

III. SENATE BILL 165

Senate Bill 165, or the Local Agency Special Tax and Bond Accountability Act (“SB 165”), requires any local Special Tax/local bond measure subject to voter approval contain a statement indicating the specific purposes of the Special Tax, require that the proceeds of the Special Tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. SB 165 only applies to CFDs authorized on or after January 1, 2001 in accordance with Sections 50075.1 and 53410 of the California Government Code.

A. Authorized Facilities

Pursuant to the Act, CFD No. 2007-1 can only be used to fund the Authorized Facilities as outlined at the time of formation. The following is an excerpt taken from the Resolution of Intention to establish CFD No. 2007-1 which describes the Authorized Facilities.

School Facilities

Elementary School Facilities: Elementary school facilities with an estimated useful life of five (5) years or longer, including site and site improvements, classrooms, recreational facilities, on-site office space, central support and administrative facilities, interim housing and transportation facilities needed by the School District in order to serve the student population to be generated as a result of development of the property within CFD No. 2007-1.

Middle School Facilities: Middle school facilities with an estimated useful life of five (5) years or longer, including site and site improvements, classrooms, recreational facilities, on-site office space, central support and administrative facilities, interim housing and transportation facilities needed by the School District in order to serve the student population to be generated as a result of development of the property within CFD No. 2007-1.

Other: Means all other authorized school facilities with a useful life of at least five (5) years, including, but not limited to, administrative and central support facilities, interim housing, and transportation facilities needed by the School District to serve the student population to be generated as a result of development of the property within CFD No. 2007-1.

Non-School Facilities

County of Los Angeles Waterworks District Fees: Means fees paid for by or on behalf of property owners and needed by the Water District in order to provide water services to the Units including the Water District's facility connection and meter connection fees.

County of Los Angeles Sanitation District Fees: Means fees paid for by or on behalf of property owners and needed by Los Angeles County Sanitation District for capacity in the existing and proposed sewer line improvements and wastewater treatment and disposal facilities of the Sanitation District.

Antelope Valley East Kern Water Agency Fees: Means fees paid for by or on behalf of property owners and needed by the Water Agency to buy capacity in existing system and construct facilities to provide services to the Units.

Antelope Valley Union High School Fees: Means fees paid for by or on behalf of property owners and needed by Los Angeles County Sanitation District for capacity in the existing and proposed sewer line improvements and wastewater treatment and disposal facilities of the Sanitation District.

B. Special Taxes

Special Taxes collected can be utilized by the School District to construct Authorized Facilities to benefit the residents within IA A of CFD No. 2007-1. The table below presents a detailed listing of the Special Taxes collected and expended within the Capital Project Fund 52 of the School District.

Capital Project Fund 52 (Held by the School District)

Balance as of December 1, 2008		\$0.00
Previously Accrued	272,901.99	
Previously Expended	(190,183.92)	
Balance as of April 30, 2015		\$82,718.07
Accruals		\$49,471.80
Special Tax Receipts	48,614.67	
Interest Earnings	857.13	
Expenditures		\$0.00
Balance as of June 30, 2016		\$132,189.87

IV. MINIMUM ANNUAL SPECIAL TAX REQUIREMENT

This Section outlines the calculation of the Annual Special Tax levy of IA A of CFD No. 2007-1 based on the financial obligations for Fiscal Year 2016/2017.

A. Minimum Annual Special Tax Requirement

The Annual Special Taxes of IA A of CFD No. 2007-1 are calculated in accordance and pursuant to the RMA. The table below shows the calculation of the Minimum Annual Special Tax Requirement for Fiscal Year 2016/2017.

Minimum Annual Special Tax Requirement for CFD No. 2007-1

Fiscal Year 2016/2017 Obligations	(\$43,229.58)
Administrative Expenses/Direct Construction	(\$43,229.58)
Fiscal Year 2016/2017 Minimum Annual Special Tax Requirement	\$43,229.58

V. SPECIAL TAX CLASSIFICATION

Each Fiscal Year, parcels within IA A of CFD No. 2007-1 are assigned an Special Tax classification based on the parameters outlined in the RMA. This Section outlines how parcels are classified and the amount of Taxable Property within IA A of CFD No. 2007-1.

A. Developed Property

Pursuant to the RMA, a parcel is considered to be classified as Developed Property once a Building Permit is issued on or prior to May 1 of the prior Fiscal Year provided that such parcel was created through the recordation of a Final Tract Map on or before January 1 of the prior Fiscal Year. Once classified as Developed Property, each parcel is taxed for a period of thirty-three (33) Fiscal Years after the issuance of Special Tax Bonds. The table below summarizes the number of parcels with Building Permits issued and the fiscal year those parcels were initially classified as Developed Property.

**Summary of Parcels
Classified as Developed Property
Fiscal Year 2016/2017**

Initial Tax Year	Classification	Number of Units
2008/2009	Developed Property	13
Total		13

Building Permits have been issued for 13 Units by the City within IA A CFD No. 2007-1. According to the Los Angeles County Assessor, 12.36 acres of Undeveloped Property are zoned for residential development within IA A of CFD No. 2007-1. At build out, IA A of CFD No. 2007-1 will have 81 residential Units. The table on the next page summarizes the Special Tax classification for the Units within IA A of CFD No. 2007-1.

Fiscal Year 2016/2017
Development within IA A of CFD No. 2007-1

Tax Class	Building Square Footage	Number of Units/Acres
1	< 2,350	1 Unit
2	2,350 - 2,600	3 Units
3	2,601 - 2,850	4 Units
4	2,851 - 3,100	0 Units
5	3,101 - 3,350	0 Units
6	3,351 - 3,600	5 Units
7	> 3,600	0 Units
Undeveloped	N/A	12.36 Acres
Total		13 Units

VI. Fiscal Year 2016/2017 Special Tax Levy

Each Fiscal Year, the Special Tax is levied up to the maximum rate, as determined by the provisions of the RMA, in the amount needed to satisfy the Minimum Annual Special Tax Requirement.

Based on the Minimum Annual Special Tax Requirement listed in Section IV, IA A of CFD No. 2007-1 will levy at the Assigned Annual Special Tax rate allowable for each parcel classified as Developed Property. The special tax roll, containing a listing of each parcel's Assigned Special Tax and Maximum Special Tax, calculated pursuant to the RMA, can be found attached as Exhibit E.

A summary of the Annual Special Tax levy for Fiscal Year 2016/2017 by Special Tax classification as determined by the RMA for IA A of CFD No. 2007-1 can be found on the table below.

**Fiscal Year 2016/2017
Annual Special Tax Levy of IA A of CFD No. 2007-1**

Tax Class	Building Square Footage	Number of Units/Acres	Assigned Annual Special Tax Rate	Total Assigned Annual Special Taxes
1	< 2,350	1 Unit	\$3,044.40 per Unit	\$3,044.40
2	2,350 - 2,600	3 Units	\$3,103.76 per Unit	9,311.28
3	2,601 - 2,850	4 Units	\$3,133.50 per Unit	12,534.00
4	2,851 - 3,100	0 Units	\$3,321.54 per Unit	0.00
5	3,101 - 3,350	0 Units	\$3,494.76 per Unit	\$0.00
6	3,351 - 3,600	5 Units	\$3,667.98 per Unit	18,339.90
7	> 3,600	0 Units	\$3,747.18 per Unit	0.00
Undeveloped	N/A	12.36 Acres	\$0.00 per Acre	0.00
Total		13 Units		\$43,229.58

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EXHIBIT A

Rate and Method of Apportionment

**First Amended Rate and Method of Apportionment for
Improvement Area No. A of
Community Facilities District No. 2007-1 of
Westside Union School District**

The following sets forth the First Amended Rate and Method of Apportionment for the levy and collection of Special Taxes ("Rate and Method of Apportionment" or "RMA") of Improvement Area No. A ("IA A") of Community Facilities District No. 2007-1 ("CFD No. 2007-1") of the Westside Union School District ("School District"). An Annual Special Tax shall be levied on and collected in IA A of CFD No. 2007-1 each Fiscal Year in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property in IA A of CFD No. 2007-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

Section A: Definitions

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

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

"Administrative Expenses" means any ordinary and necessary expense incurred by the School District on behalf of IA A of CFD No. 2007-1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the proportional payment of salaries and benefits of any School District employee to the extent duties are directly related to the administration of IA A of CFD No. 2007-1, and reasonable costs otherwise incurred in order to carry out the authorized purposes of IA A of CFD No. 2007-1 or statutory requirements applicable thereto.

"Annual Special Tax" means the Annual 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 A of CFD No. 2007-1.

"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" or "APN" 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 Westside Union School District or its designee as the legislative body of IA A of CFD No. 2007-1.

"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 the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and S&P's A-plus, as reasonably determined by the Board.

"Bond Yield" means the yield on the last series of Bonds issued by or on behalf of IA A of CFD No. 2007-1, as calculated at the time such Bonds are issued pursuant of Section 148 of the Internal Revenue Code of 1986, as amended for 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 City, or another public agency in the event the City no longer issues permits for the construction of Units within IA A of CFD No. 2007-1. 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, or other structures not used as living space, or any other square footage excluded under Government Code Section 65995 as determined by reference to the Building Permit for such Unit.

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

"City" means the City of Lancaster.

"County" means the County of Los Angeles, State of California.

"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.

"Final Subdivision Map" means a final tract map, condominium map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder. For condominiums, a final tract map approved by the county and a condominium plan recorded pursuant to California Civil Code Section 1352 creating such individual lots or parcels.

"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 A of CFD No. 2007-1.

"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 A of CFD No. 2007-1 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) the portion of the Administrative Expenses of IA A of CFD No. 2007-1 applicable to Annual Special Tax, (iii) the costs associated with the release of funds from an escrow account for the Bonds, and (iv) any amount required to establish or replenish any reserve funds 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, or trust agreement. 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 in Section K.

"Partial Prepayment Amount" means that 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 A of CFD No. 2007-1 associated with the prepayment of the Special Tax obligation of an Assessor's Parcel as described in Section G. 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 the present value of Special Tax applicable to such Assessor's Parcel in the current Fiscal Year not yet received by the School District for IA A of CFD No. 2007-1, plus the expected Annual Special Tax applicable to such Assessor's Parcel in each remaining Fiscal Year until the termination date specified in Section J, but not to exceed thirty-three (33) Fiscal Years, using as the discount rate (i) the Bond Yield after Bond issuance or (ii) the most recently published Bond Index prior to Bond issuance.

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

"Reserve Fund Credit" means, for each owner of an Assessor's Parcel wishing to prepay the Annual Special Tax obligation of such Assessor's Parcel, an amount equal to the reduction in the reserve requirement for the outstanding Bonds resulting from the redemption of Bonds with the applicable prepaid Special Tax. 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 Credit shall be given.

"Special Tax" means any of the special taxes authorized to be levied by IA A of CFD No. 2007-1 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

Each Fiscal Year, beginning with Fiscal Year 2008/2009, (i) each Assessor’s Parcel within IA A of CFD No. 2007-1 shall be classified as Taxable Property or Exempt Property and (ii) 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. The classification of Exempt Property shall take into consideration the Minimum Taxable Acreage as determined pursuant to Section K.

Section C: Maximum Special Taxes

1. Developed Property

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

2. Undeveloped Property

The Maximum Annual Special Tax for each Assessor’s Parcel classified as Undeveloped Property in each Fiscal Year shall be 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 2008/2009 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 Taxes for
Developed Property
Fiscal Year 2008/2009**

Building Square Feet	Assigned Annual Special Tax
< 2,350	\$2,598.37 per Unit
2,350 – 2,600	\$2,649.05 per Unit
2,601 – 2,850	\$2,674.40 per Unit
2,851 – 3,100	\$2,834.91 per Unit
3,101 – 3,350	\$2,982.76 per Unit
3,351 – 3,600	\$3,130.60 per Unit
> 3,600	\$3,198.19 per Unit

Each July 1, commencing July 1, 2009, 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.

Undeveloped Property

The Assigned Annual Special Tax rate in Fiscal Year 2008/2009 for an Assessor's Parcel classified as Undeveloped Property shall be \$17,755.87 per acre of Acreage.

Each July 1, commencing July 1, 2009, 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 rate 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 2008/2009 or such later Fiscal Year in which such Final Subdivision Map is created, subject to increase as described below:

$$B = (Z \times A) / L$$

The terms above have the following meanings:

- B = Backup Annual Special Tax per Lot for the applicable Fiscal Year
- Z = Assigned Annual Special Tax per acre of Acreage of 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 the July 1 first 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 Tax revenue 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 first 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 2008/2009, 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 the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.

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

Section G: Prepayment of Annual Special Taxes

The Annual Special Tax obligation of an Assessor's Parcel of Developed Property; or an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid. The Prepayment Amount and 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 A of CFD No. 2007-1 with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Board shall reasonably determine the Prepayment Amount of such Assessor's Parcel and shall notify such 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 1.15 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Board. Such determination shall include identifying all Assessor's Parcels that are expected to become Exempt Property.

With respect to any Assessor's Parcel that is prepaid, the Board shall indicate in the records of IA A of CFD No. 2007-1 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 the Annual Special Tax

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

An owner 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 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_G = 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 Board shall indicate in the records of IA A of CFD No. 2007-1 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax 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 1.15 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Board. Such determination shall include identifying all Assessor's Parcels that are expected to become Exempt Property.

Section 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 A of CFD No. 2007-1 proceedings and other applicable law as determined by the Board.

Section J: Termination of Special Tax

The Annual Special Tax shall be levied for a period of thirty-three (33) Fiscal Years after the Bonds have been issued, provided that the Annual Special Tax shall not be levied after Fiscal Year 2047/2048.

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, and provided that no such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage as shown in Table 2. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than Minimum Taxable. 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
13.15 Acres

Section L: Appeals

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. In order to be considered sufficient, any 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 A of CFD No. 2007-1 ("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 A of CFD No. 2007-1 may collect the Annual Special Tax at a different time or in a different manner if necessary to meet its financial obligations.



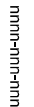
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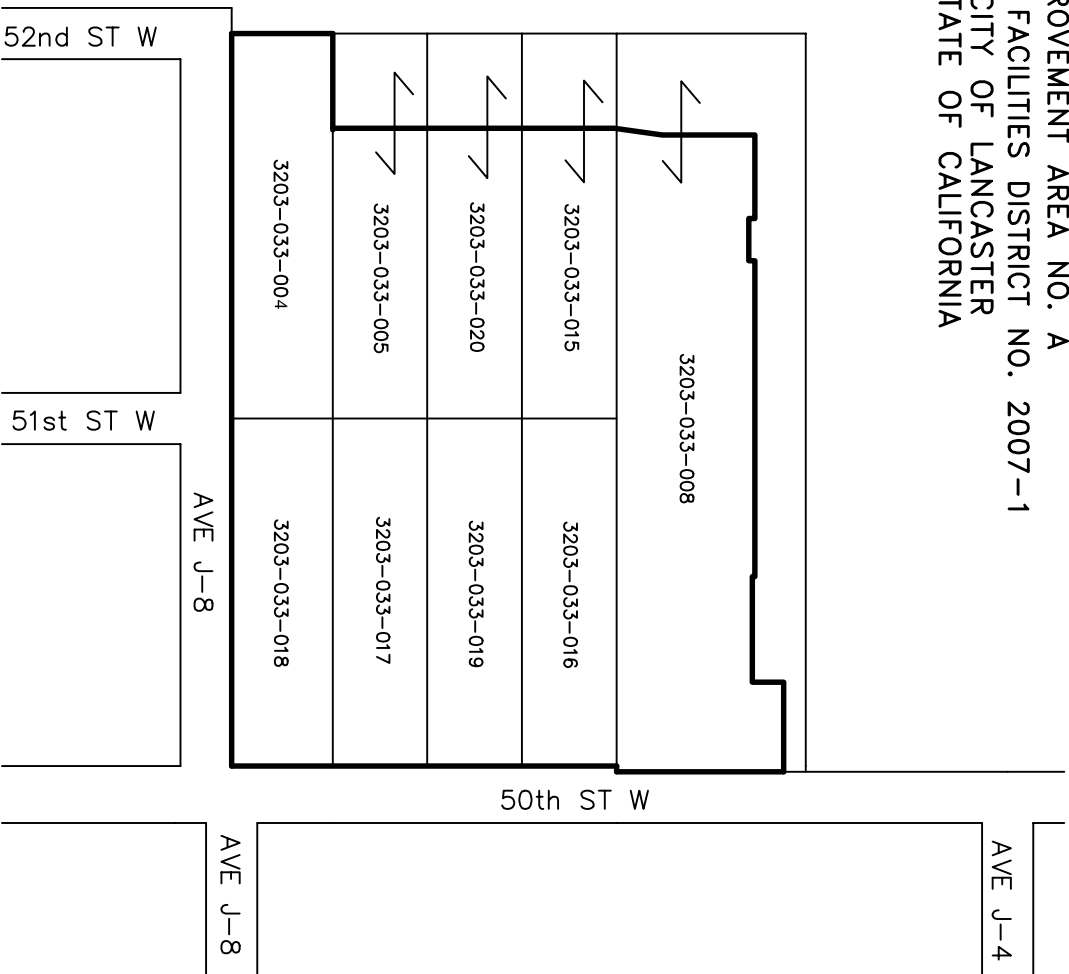
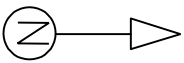
EXHIBIT B

CFD Boundary Map

AMENDED BOUNDARIES OF
WESTSIDE UNION SCHOOL DISTRICT
IMPROVEMENT AREA NO. A
COMMUNITY FACILITIES DISTRICT NO. 2007-1
CITY OF LANCASTER
STATE OF CALIFORNIA

LEGEND

	Boundaries of Improvement Area No. A of Community Facilities District No. 2007-1
	Assessor Parcel Boundaries
	Assessor Parcel Number

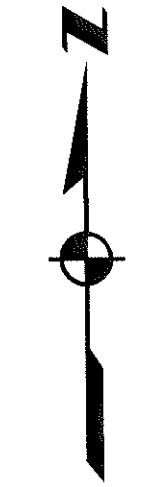
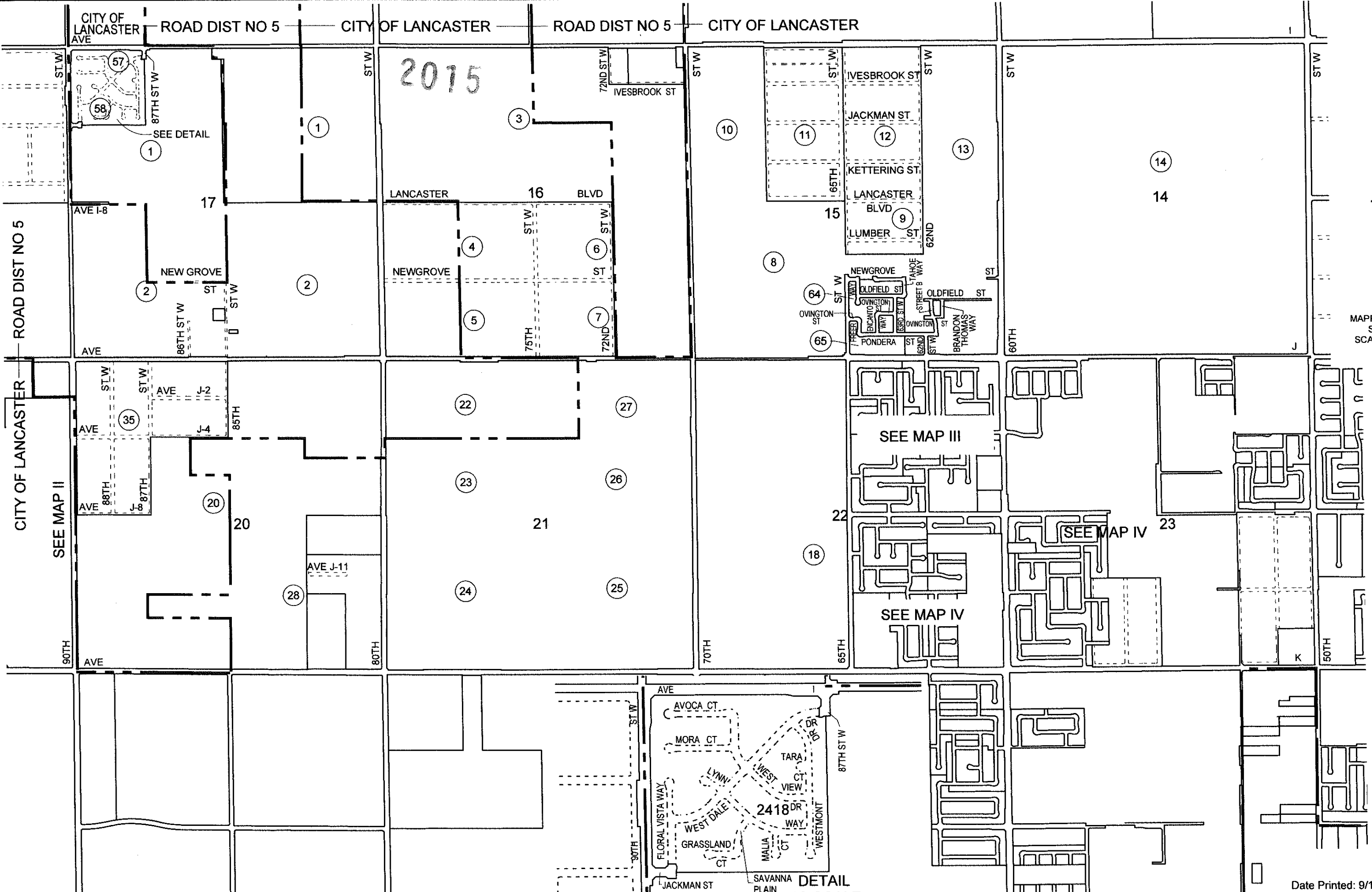


Reference is hereby made to the Assessor maps of the County of Los Angeles for an exact description of the lines and dimensions of each lot and parcel.

PREPARED BY
DOLINKA GROUP, INC.

EXHIBIT C

Assessor's Parcel Maps



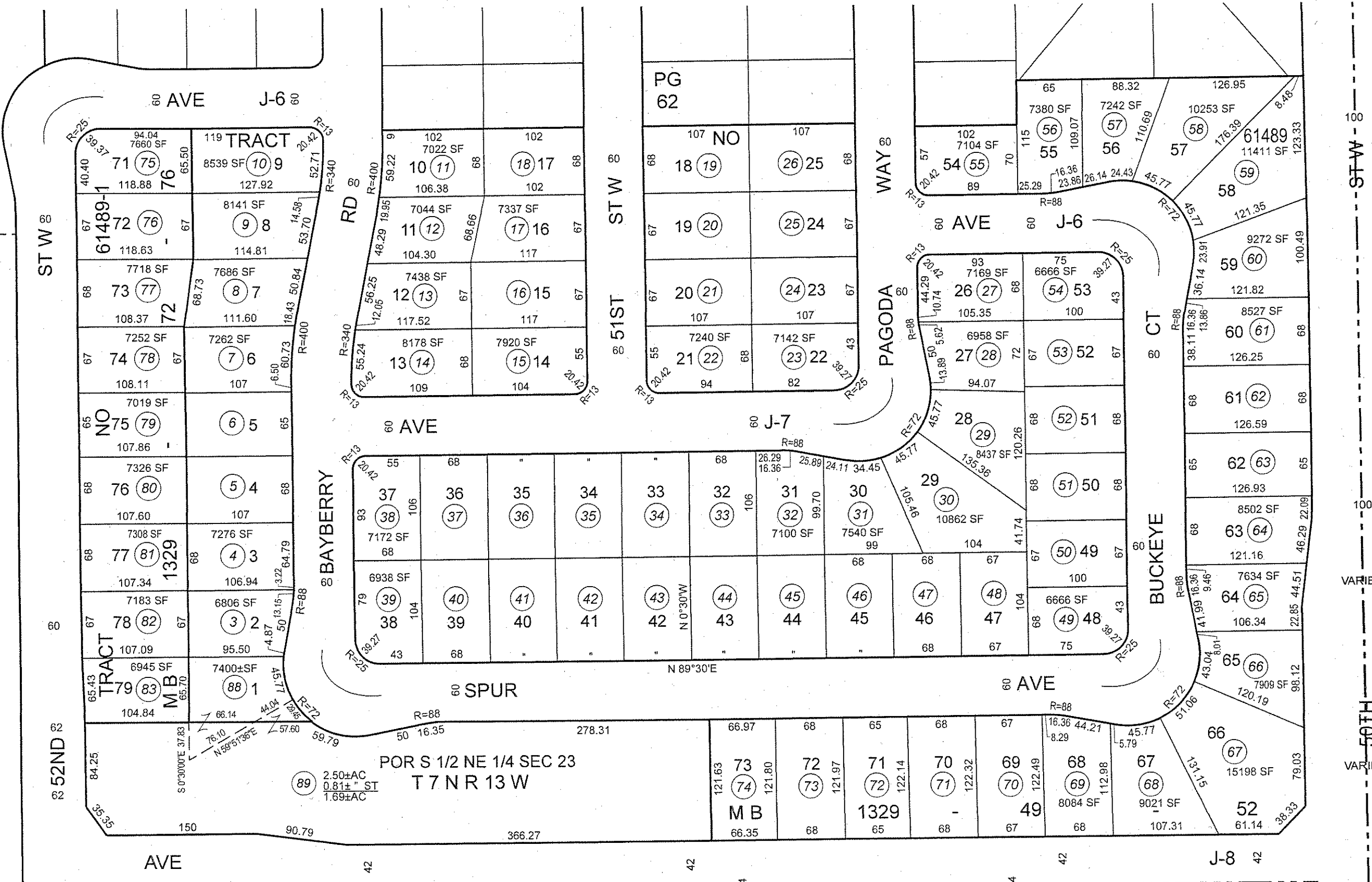
MAPPING AND GIS SERVICES
SCALE 1" = 1500'

2008



MAPPING AND GIS SERVICES SCALE 1" = 100'

PG 33



BK 3153

PG 32

EXHIBIT D

Delinquent Annual Special Tax Report

Fixed Charge Special Assessment Delinquency Report

Year End Report for Fiscal Year 2015/2016

Westside Union School District Community Facilities District No. 2007-1, Improvement Area A



Summary

Year End

Total Taxes Due June 30, 2016	\$42,382.02
Amount Paid	\$42,382.02
Amount Remaining to be Collected	\$0.00
Number of Parcels Delinquent	0
Delinquency Rate	0.00%

Foreclosure

CFD Subject to Foreclosure Covenant:	No
Foreclosure Determination Date	N/A
Foreclosure Qualification	

Individual Parcel Delinquency	N/A
Individual Parcel Multiple Owners Delinquency	N/A
Individual Parcels Semi-Annual Installments	N/A
Aggregate Delinquency Rate	N/A

Parcels Qualifying for Foreclosure

Parcels Exceeding Individual Foreclosure Threshold	N/A
Parcels Exceeding CFD Aggregate	N/A

Fiscal Year 2015/2016 Delinquency Rate Comparison



EXHIBIT E

Report Special Tax Roll
for Fiscal Year 2016/2017

Westside Union School District
Improvement Area A of
Community Facilities District No. 2007-1
Fiscal Year 2016/2017 Special Tax Roll

Tract	Lot	Assessor's Parcel Number	Maximum Special Tax	Assigned Special Tax
61489	2	3203-061-003	\$3,676.86	\$0.00
61489	3	3203-061-004	\$3,676.86	\$3,044.40
61489	4	3203-061-005	\$3,676.86	\$3,667.98
61489	5	3203-061-006	\$3,676.86	\$3,133.50
61489	6	3203-061-007	\$3,676.86	\$3,103.76
61489	7	3203-061-008	\$3,676.86	\$3,667.98
61489	8	3203-061-009	\$3,676.86	\$3,103.76
61489	9	3203-061-010	\$3,676.86	\$3,133.50
61489	10	3203-061-011	\$3,676.86	\$3,667.98
61489	11	3203-061-012	\$3,676.86	\$3,133.50
61489	12	3203-061-013	\$3,676.86	\$3,103.76
61489	13	3203-061-014	\$3,676.86	\$3,667.98
61489	14	3203-061-015	\$3,782.14	\$0.00
61489	15	3203-061-016	\$3,744.69	\$0.00
61489	16	3203-061-017	\$3,676.86	\$0.00
61489	17	3203-061-018	\$3,676.86	\$0.00
61489	18	3203-061-019	\$3,676.86	\$0.00
61489	19	3203-061-020	\$3,676.86	\$0.00
61489	20	3203-061-021	\$3,676.86	\$0.00
61489	21	3203-061-022	\$3,676.86	\$0.00
61489	22	3203-061-023	\$3,676.86	\$0.00
61489	23	3203-061-024	\$3,676.86	\$0.00
61489	24	3203-061-025	\$3,676.86	\$0.00
61489	25	3203-061-026	\$3,676.86	\$0.00
61489	26	3203-061-027	\$3,676.86	\$0.00
61489	27	3203-061-028	\$3,676.86	\$0.00
61489	28	3203-061-029	\$4,029.70	\$0.00
61489	29	3203-061-030	\$5,188.48	\$0.00
61489	30	3203-061-031	\$3,676.86	\$0.00
61489	31	3203-061-032	\$3,676.86	\$0.00
61489	32	3203-061-033	\$3,676.86	\$0.00
61489	33	3203-061-034	\$3,676.86	\$0.00
61489	34	3203-061-035	\$3,676.86	\$0.00
61489	35	3203-061-036	\$3,676.86	\$0.00
61489	36	3203-061-037	\$3,676.86	\$3,667.98
61489	37	3203-061-038	\$3,676.86	\$3,133.50
61489	38	3203-061-039	\$3,676.86	\$0.00
61489	39	3203-061-040	\$3,676.86	\$0.00
61489	40	3203-061-041	\$3,676.86	\$0.00
61489	41	3203-061-042	\$3,676.86	\$0.00
61489	42	3203-061-043	\$3,676.86	\$0.00
61489	43	3203-061-044	\$3,676.86	\$0.00

Westside Union School District
Improvement Area A of
Community Facilities District No. 2007-1
Fiscal Year 2016/2017 Special Tax Roll

Tract	Lot	Assessor's Parcel Number	Maximum Special Tax	Assigned Special Tax
61489	44	3203-061-045	\$3,676.86	\$0.00
61489	45	3203-061-046	\$3,676.86	\$0.00
61489	46	3203-061-047	\$3,676.86	\$0.00
61489	47	3203-061-048	\$3,676.86	\$0.00
61489	48	3203-061-049	\$3,676.86	\$0.00
61489	49	3203-061-050	\$3,676.86	\$0.00
61489	50	3203-061-051	\$3,676.86	\$0.00
61489	51	3203-061-052	\$3,676.86	\$0.00
61489	52	3203-061-053	\$3,676.86	\$0.00
61489	53	3203-061-054	\$3,676.86	\$0.00
61489	54	3203-061-055	\$3,676.86	\$0.00
61489	55	3203-061-056	\$3,676.86	\$0.00
61489	56	3203-061-057	\$3,676.86	\$0.00
61489	57	3203-061-058	\$4,897.22	\$0.00
61489	58	3203-061-059	\$5,450.60	\$0.00
61489	59	3203-061-060	\$4,429.14	\$0.00
61489	60	3203-061-061	\$4,073.39	\$0.00
61489	61	3203-061-062	\$4,106.68	\$0.00
61489	62	3203-061-063	\$3,934.00	\$0.00
61489	63	3203-061-064	\$4,060.91	\$0.00
61489	64	3203-061-065	\$3,676.86	\$0.00
61489	65	3203-061-066	\$3,777.98	\$0.00
61489	66	3203-061-067	\$7,258.46	\$0.00
61489	67	3203-061-068	\$4,308.47	\$0.00
61489	68	3203-061-069	\$3,861.19	\$0.00
61489	69	3203-061-070	\$3,917.36	\$0.00
61489	70	3203-061-071	\$3,969.37	\$0.00
61489	71	3203-061-072	\$3,788.38	\$0.00
61489	72	3203-061-073	\$3,958.97	\$0.00
61489	73	3203-061-074	\$3,875.75	\$0.00
61489	1	3203-061-088	\$3,676.86	\$0.00
0	0	3203-061-089	\$35,158.48	\$0.00

Total Parcels	74
Total Taxable Parcels	13
Total Maximum Annual Special Tax	\$316,445.12
Total Assigned Special Tax	\$43,229.58