



TRAVIS UNIFIED SCHOOL DISTRICT

MELLO-ROOS COMMUNITY FACILITIES DISTRICT NO. 2

SPECIAL TAX ANNUAL REPORT

FY 2017-18

FINAL REPORT

PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

PREPARED BY:


SCI Consulting Group
4745 MANGLES BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
www.sci-cg.com

TRAVIS UNIFIED SCHOOL DISTRICT

GOVERNING BOARD

Angela Weinzinger, President
Riitta DeAnda, Vice President
Jamilah Whiteside, Board Clerk
John Dickerson, Member
Ivery Hood, Member

SUPERINTENDENT

Pam Conklin

CHIEF BUSINESS OFFICER

Sonia Lasyone

DIRECTOR OF FISCAL SERVICES

Anna Pimentel

SPECIAL TAX ADMINISTRATOR

SCI Consulting Group

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
FISCAL YEAR 2016-17 SPECIAL TAX	5
SPECIAL TAX COLLECTION	5
DELINQUENCIES	5
SPECIAL TAX COSTS AND EXPENDITURES.....	6
FUND BALANCE	6
CERTIFICATES OF PARTICIPATION	7
PAY-AS-YOU-GO EXPENDITURES	7
FISCAL YEAR 2017-18 SPECIAL TAX	9
ADMINISTRATION OF COMMUNITY FACILITIES DISTRICT	11
GENERAL ADMINISTRATIVE REQUIREMENTS	11
DELINQUENCY PROCEDURES.....	11
NOTICES OF SPECIAL TAX LIEN.....	11
ADMINISTRATIVE EXPENSES	12
REPORTING REQUIREMENTS.....	12
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.....	13
DEFINITIONS	13
SPECIAL TAXES	15
PREPAID SPECIAL TAX	15
ANNUAL SPECIAL TAX	15
COLLECTION OF ANNUAL SPECIAL TAX	16
APPEALS AND INTERPRETATION	16
CERTIFICATES	17
EXHIBIT A - DISTRICT BOUNDARY DIAGRAMS.....	18
EXHIBIT B - FY 2017-18 SPECIAL TAX ROLL	22
EXHIBIT C - NOTICE OF SPECIAL TAX LIEN.....	23

LIST OF FIGURES

FIGURE 1 - SUMMARY OF SPECIAL TAX DATA	2
FIGURE 2 - SUMMARY OF SPECIAL TAX RATES BY YEAR	3
FIGURE 3 - SUMMARY OF SPECIAL TAX REVENUE BY YEAR	4
FIGURE 4 – SUMMARY OF SPECIAL TAX COLLECTION, FISCAL YEAR 2016-17	5
FIGURE 5 – CFD No. 2 SPECIAL TAX DELINQUENCIES	6
FIGURE 6 – SUMMARY OF SPECIAL TAX EXPENDITURES	6
FIGURE 7 – REFUNDING 2016 CERTIFICATES OF PARTICIPATION PAYMENT SCHEDULE	8
FIGURE 8 – MAXIMUM AUTHORIZED INFLATIONARY ADJUSTMENT IN THE SPECIAL TAX RATE.....	9
FIGURE 9 – SPECIAL TAX RATES FOR FY 2017-18	10
FIGURE 10 – ADMINISTRATIVE EXPENSES	12

EXECUTIVE SUMMARY

This Special Tax Annual Report ("Annual Report") covers all assessor parcels of land within the boundaries of the Community Facilities District No. 2 ("CFD No. 2") of the Travis Unified School District ("District"). The special tax attributed to each parcel was computed in accordance with the tax formula as approved by Resolution No. 6, 1998-99 of the Travis Unified School District Governing Board.

This Annual Report summarizes the fiscal year 2017-18 special tax and rate and method of apportionment and fiscal year 2016-17 special tax collection, expenditures, fund balance, and other related data.

As of July 1, 2017, there are 1,750 parcels in CFD No. 2, which includes both sub-divided and non-subdivided parcels. Prior to June 16, 2017, and after June 15, 2016, 82 residential building permits for new homes within CFD No. 2 were issued. As a result, initial or partial special tax revenue generated for fiscal year 2016-17 was \$589,422.14. Also, the total annual special tax collected within CFD No. 2 for fiscal year 2016-17 was \$1,989,347.92

The following three tables summarize the current special tax data. It is important to note that the special tax proceeds presented in Figure 3 are levy receipts within the fiscal year. The initial or partial tax levy is charged at the time the building permit is issued. The first fiscal year of the special tax is levied in the following fiscal year.

FIGURE 1 - SUMMARY OF SPECIAL TAX DATA

June 16 thru June 15 Period	Total Number of Parcels	New Home Building Permits	Total Number of Homes	New Taxable Square Footage	Total Taxable Square Footage
1999-00	13	0	0	0	0
2000-01	373	0	0	0	0
2001-02	373	152	152	282,558	282,558
2002-03	405	146	298	278,932	561,490
2003-04	765	247	545	579,065	1,140,555
2004-05	836	232	777	549,537	1,690,092
2005-06	836	15	792	32,140	1,722,232
2006-07	967	117	909	260,488	1,982,720
2007-08	1,200	20	929	36,344	2,019,064
2008-09	1,200	0	929	0	2,019,064
2009-10	1,201	0	929	0	2,019,064
2010-11	1,201	0	929	0	2,019,064
2011-12	1,201	41	970	91,842	2,110,906
2012-13	1,389	121	1,091	278,872	2,389,778
2013-14	1,601	146	1,237	356,463	2,746,241
2014-15	1,641	169	1,406	404,051	3,150,292
2015-16	1,640	106	1,512	294,472	3,444,764
2016-17	1,750	82	1,594	217,459	3,662,223

FIGURE 2 - SUMMARY OF SPECIAL TAX RATES BY YEAR

Period	Initial Special Tax Rate ¹	Prepaid Special Tax Rate ¹	Annual Special Tax Rate ²
1999-00	\$7.0992	\$1.9992	\$0.4300
2000-01	\$7.2412	\$2.0392	\$0.4386
2001-02	\$7.3860	\$2.0800	\$0.4474
2002-03	\$7.5337	\$2.1216	\$0.4563
2003-04	\$7.6844	\$2.1640	\$0.4654
2004-05	\$7.8381	\$2.2073	\$0.4748
2005-06	\$7.9949	\$2.2514	\$0.4842
2006-07	\$8.1547	\$2.2965	\$0.4939
2007-08	\$8.3178	\$2.3424	\$0.5038
2008-09	\$8.4842	\$2.3892	\$0.5139
2009-10	\$8.6539	\$2.4370	\$0.5242
2010-11	\$8.6539	\$2.4370	\$0.5242
2011-12	\$8.6539	\$2.4370	\$0.5242
2012-13	\$8.8270	\$2.4858	\$0.5347
2013-14	\$9.0035	\$2.5355	\$0.5453
2014-15	\$9.1836	\$2.5862	\$0.5563
2015-16	\$9.3672	\$2.6379	\$0.5674
2016-17	\$9.5345	\$2.6850	\$0.5775
2017-18	\$9.7048	\$2.7330	\$0.5878

Notes:

¹ Initial and prepaid special tax rates for FY 2017-18 are effective August 9, 2017.

² Annual special tax rate on parcels for which building permits were issued prior to June 16 of first year in period.

FIGURE 3 - SUMMARY OF SPECIAL TAX REVENUE BY YEAR

Period	Initial Special Tax Revenue ¹	Prepaid Special Tax Revenue ²	Annual Special Tax Revenue ³	Total Special Tax Revenue (By Fiscal Year)
1999-00	\$0.00	\$0.00	\$0.00	\$0.00
2000-01	\$0.00	\$0.00	\$0.00	\$0.00
2001-02	\$0.00	\$587,711.51	\$0.00	\$587,711.51
2002-03	\$0.00	\$591,772.94	\$128,931.22	\$720,704.15
2003-04	\$0.00	\$1,253,095.72	\$261,317.45	\$1,514,413.16
2004-05	\$0.00	\$1,212,981.12	\$541,535.51	\$1,754,516.63
2005-06	\$0.00	\$72,360.76	\$818,338.24	\$890,699.00
2006-07	\$0.00	\$598,198.29	\$850,605.54	\$1,448,803.83
2007-08	\$0.00	\$85,131.51	\$997,485.44	\$1,082,616.95
2008-09	\$0.00	\$0.00	\$1,037,589.12	\$1,037,589.12
2009-10	\$0.00	\$0.00	\$1,058,388.52	\$1,058,388.52
2010-11	\$0.00	\$0.00	\$1,058,388.52	\$1,058,388.52
2011-12	\$0.00	\$217,970.15	\$1,058,388.52	\$1,276,358.67
2012-13	\$0.00	\$691,137.85	\$1,127,412.74	\$1,818,550.59
2013-14	\$0.00	\$914,612.91	\$1,301,831.66	\$2,216,444.57
2014-15	\$0.00	\$1,039,824.06	\$1,526,884.02	\$2,566,708.08
2015-16	\$0.00	\$776,278.13	\$1,787,468.40	\$2,563,746.53
2016-17	\$0.00	\$589,422.14	\$1,989,347.92	\$2,578,770.06
2017-18	TBD	TBD	\$2,152,646.54	TBD

Notes:

¹ Initial special tax revenue for residential property for which permits were issued within the period June 16 to June 15.

² Prepaid special tax revenue is one-time tax revenue for residential property for which permits were issued within the period June 16 to June 15.

³ Annual special tax revenue on parcels for which the partial payment special tax was paid prior to June 16 of first year in period. Levies are rounded down to the even penny.

FISCAL YEAR 2016-17 SPECIAL TAX

SPECIAL TAX COLLECTION

The initial, partial and annual special taxes collected for fiscal year 2016-17 are presented below. It is important to note that the initial special tax or partial special tax is charged at the time of building permit issuance and proceeds were received between June 16, 2016, and June 15, 2017.

FIGURE 4 – SUMMARY OF SPECIAL TAX COLLECTION, FISCAL YEAR 2016-17

	As of June 16, 2017
Total New Housing Permits Issued	1,512
Undeveloped Parcels	88
Tax Exempt Parcels	40
Total Parcels within CFD2	1,640
Special Tax Rates	
Initial Special Tax Rate (FY 2016-17)	\$9.5345
Prepaid Special Tax Rate (FY 2016-17)	\$2.6850
Annual Special Tax Rate (FY 2016-17)	\$0.5775
Initial Special Tax Levy (June 16, 2016 to June 15, 2017)	\$0.00
Prepaid Special Tax Levy (June 16, 2016 to June 15, 2017)	\$589,422.14
Annual Tax Levy (2016-17)	\$1,989,347.92
Total Special Tax Levy	\$2,578,770.06

DELINQUENCIES

CFD No. 2 special tax delinquencies were 0.3% of special taxes levied for fiscal year 2016-17 as of June 30, 2017. The District participates in the "Teeter Plan" with the County of Solano whereby the County pays all delinquent special taxes to the District and in return the County institutes collection proceedings and, when collected, keeps all delinquent payments with interest and penalties. This plan allows the District to maintain reliable special tax revenues and reduces the cost of collection. Delinquencies are within the Teeter Plan upper threshold limit of 4% but should continue to be monitored.

FIGURE 5 – CFD No. 2 SPECIAL TAX DELINQUENCIES

	FY 2016-17 Levies
Total Developed Parcels	1,512
Number of Delinquent Parcels	8
Percent of Parcels Delinquent	0.5%
Total Special Tax Levied (2016-17)	\$1,989,348
Total Special Taxes Delinquent	\$5,991
Percent of Special Tax Delinquent	0.3%

SPECIAL TAX COSTS AND EXPENDITURES

Figure 5 provides the special tax levy expenditures of fiscal year 2016-17 levies.

FIGURE 6 – SUMMARY OF SPECIAL TAX EXPENDITURES

	Fiscal Year 2016-17
Contribution To / (From) CFD No. 2 Fund	\$1,304,850
	\$1,304,850
Bond Requirements	
Principal Repayment	\$410,000
Interest Expense	\$831,746
Administrative Expenses	\$17,150
Less: Credits	\$0
	\$1,258,896
Total Expenses:	\$2,563,747
Total Special Tax:	\$2,563,747

FUND BALANCE

The fund balance for CFD No. 2 is \$3,621,310.95 as of June 30, 2017.

CERTIFICATES OF PARTICIPATION

Certificates of Participation ("COP") in the amount of \$24,500,000 were authorized by the District Board of Education in April 2006. The 2006 COP had a 30-year term with the final payment due September 2036. The 2006 COP were issued for the acquisition of land for one new school, construction of improvements to expand Vanden High School, construction of a new elementary school and additional facilities at Golden West Middle School.

In February 2016, the 2006 COP was prepaid and refunded with a Refunding Certificate of Participation ("2016 COP") issued in the amount of \$19,625,000. The 2016 COP has a 20-year term with the final payment due September 2036.

The following page displays the payment schedule for the 2016 COP issued for CFD No. 2. The lease payments for fiscal year 2016-17 totaled \$1,241,746.15. The lease payments for fiscal year 2017-18 will total \$1,271,968.76.

PAY-AS-YOU-GO EXPENDITURES

For fiscal year 2016-17, the District used CFD No. 2 special tax proceeds to fund resurfacing of Vanden High School tennis courts (\$29,950); Golden West Middle School food service window (\$26,240); and a new storage facility at Vanden High School (\$103,808).

FIGURE 7 – REFUNDING 2016 CERTIFICATES OF PARTICIPATION PAYMENT SCHEDULE

Payment Dates	Principal Component	Interest Component	Aggregate Base Rental Payment
September 1, 2016	\$ 410,000	\$424,774.27	\$ 834,774.27
March 1, 2017	--	406,971.88	406,971.88
September 1, 2017	465,000	406,971.88	871,971.88
March 1, 2018	--	399,996.88	399,996.88
September 1, 2018	510,000	399,996.88	909,996.88
March 1, 2019	--	389,796.88	389,796.88
September 1, 2019	560,000	389,796.88	949,796.88
March 1, 2020	--	378,596.88	378,596.88
September 1, 2020	620,000	378,596.88	998,596.88
March 1, 2021	--	366,196.88	366,196.88
September 1, 2021	680,000	366,196.88	1,046,196.88
March 1, 2022	--	352,596.88	352,596.88
September 1, 2022	725,000	352,596.88	1,077,596.88
March 1, 2023	--	338,096.88	338,096.88
September 1, 2023	800,000	338,096.88	1,138,096.88
March 1, 2024	--	318,096.88	318,096.88
September 1, 2024	875,000	318,096.88	1,193,096.88
March 1, 2025	--	296,221.88	296,221.88
September 1, 2025	945,000	296,221.88	1,241,221.88
March 1, 2026	--	272,596.88	272,596.88
September 1, 2026	1,020,000	272,596.88	1,292,596.88
March 1, 2027	--	247,096.88	247,096.88
September 1, 2027	1,115,000	247,096.88	1,362,096.88
March 1, 2028	--	219,221.88	219,221.88
September 1, 2028	1,210,000	219,221.88	1,429,221.88
March 1, 2029	--	188,971.88	188,971.88
September 1, 2029	1,290,000	188,971.88	1,478,971.88
March 1, 2030	--	156,721.88	156,721.88
September 1, 2030	1,405,000	156,721.88	1,561,721.88
March 1, 2031	--	121,596.88	121,596.88
September 1, 2031	1,515,000	121,596.88	1,636,596.88
March 1, 2032	--	83,721.88	83,721.88
September 1, 2032	1,615,000	83,721.88	1,698,721.88
March 1, 2033	--	59,496.88	59,496.88
September 1, 2033	1,430,000	59,496.88	1,489,496.88
March 1, 2034	--	38,046.88	38,046.88
September 1, 2034	1,245,000	38,046.88	1,283,046.88
March 1, 2035	--	18,593.75	18,593.75
September 1, 2035	850,000	18,593.75	868,593.75
March 1, 2036	--	5,312.50	5,312.50
September 1, 2036	340,000	5,312.50	345,312.50

FISCAL YEAR 2017-18 SPECIAL TAX

Pursuant to Rate and Method of Apportionment, the special tax rates shall be adjusted in by an amount equal to one-half (1/2) of the amount of increase in developer fees as authorized by the California State Allocation Board ("SAB") biennially, but in no case shall the increase exceed 2% per year.

As shown in the figure below, there was a 3.57% change in the biennial statutory as of January 2016. As a result, there will be a 1.79% increase the initial, prepaid and annual special tax rates for CFD No. 2 for fiscal years 2016-17 and 2017-18.

FIGURE 8 – MAXIMUM AUTHORIZED INFLATIONARY ADJUSTMENT IN THE SPECIAL TAX RATE

Year	Level 1 Residential Developer Fee	2-Year Change	1/2 of Biennial Change	Maximum Annual Change
1996	\$1.84	6.98%	3.49%	2.00%
1997			3.49%	2.00%
1998	\$1.93	4.89%	2.45%	2.00%
1999			2.45%	2.00%
2000	\$2.05	6.22%	3.11%	2.00%
2001			3.11%	2.00%
2002	\$2.14	4.39%	2.20%	2.00%
2003			2.20%	2.00%
2004	\$2.24	4.67%	2.34%	2.00%
2005			2.34%	2.00%
2006	\$2.63	17.41%	8.71%	2.00%
2007			8.71%	2.00%
2008	\$2.97	12.93%	6.46%	2.00%
2009			6.46%	2.00%
2010	\$2.97	0.00%	0.00%	0.00%
2011			0.00%	0.00%
2012	\$3.20	7.74%	3.87%	2.00%
2013			3.87%	2.00%
2014	\$3.36	5.00%	2.50%	2.00%
2015			2.50%	2.00%
2016	\$3.48	3.57%	1.79%	1.79%
2017			1.79%	1.79%

The initial, prepaid and annual special tax rates for fiscal year 2017-18 are shown below.

FIGURE 9 – SPECIAL TAX RATES FOR FY 2017-18

Period / Fiscal Year	Initial Special Tax Rate ¹	Prepaid Special Tax Rate ²	Annual Special Tax Rate ³
2017-18	\$9.7048	\$2.7330	\$0.5878

Notes:

¹ Initial special tax rate for residential property for which permits will be issued within the period August 9, 2017 to June 15, 2018.

² Prepaid special tax rate for residential property for which permits were issued within the period August 9, 2017 to June 15, 2018.

⁵ Annual special tax revenue on parcels for which the prepaid special tax was paid prior to June 16, 2017.

ADMINISTRATION OF COMMUNITY FACILITIES DISTRICT

GENERAL ADMINISTRATIVE REQUIREMENTS

The Mello-Roos Community Facilities District Act of 1982 ("the Act") requires that a Special Tax Annual Report must be prepared annually to identify the Special Tax Rate for all parcels to be assessed in the upcoming fiscal year. The levy data must subsequently be filed with the County Auditor prior to the second Tuesday in August for inclusion on property tax bills.

After submission of the Special Tax levies, the final levies should be confirmed with the County Auditor prior to the preparation of tax bills which typically occurs in October. The Special Tax is collected in two equal installments on the tax bills that are due on December 10 and April 10.

DELINQUENCY PROCEDURES

As noted, the District is participating in the County of Solano Teeter Plan, so the delinquent revenues are prepaid by the County. As the current delinquent rate is within the Teeter Plan limit of 4%, delinquencies collections via the Teeter Plan are not jeopardized but should still be monitored.

NOTICES OF SPECIAL TAX LIEN

The Act states "For purposes of enabling sellers of real property subject to the levy of special taxes to satisfy the notice requirements of subdivision (b) of Section 1102.6 of the Civil Code, the designated office, department, or bureau shall furnish a Notice of Special Tax to any individual requesting the notice or any owner of property subject to a special tax levied by the local agency within five working days so receiving a request for such notice. The local agency may charge a reasonable fee for this service not to exceed ten dollars." A copy of this notice is included as Exhibit C.

In addition, any developer, subdivider or his or her agent or representative shall not sell or lease any property subject to the Special Tax until the prospective purchaser or lessee has been furnished with and signed a written notice of special tax lien similar to that shown in Exhibit C.

ADMINISTRATIVE EXPENSES

Administrative expenses for fiscal year 2016-17 are provided in the figure below.

FIGURE 10 – ADMINISTRATIVE EXPENSES

	Fiscal Year 2016-17
Bank Fees	\$1,500
Tax Report Preparation and Admin.	\$5,050
County Tax Collection Fees	\$10,600
Total Administrative Expenses:	\$17,150

REPORTING REQUIREMENTS

PUBLIC INFORMATION

Property owners and other interested persons can obtain information regarding special tax levies and other information by contacting the District or SCI Consulting Group at telephone number (707) 430-4300 or (800) 273-5167. SCI Consulting Group telephone number is also included with property tax bills.

ASSESSOR AND AUDITOR FILING AND REPORTING

Pursuant to the Act, the Mello-Roos Community Facilities Special Tax Annual Report along with all special tax levies for the upcoming fiscal year must be filed with the County Auditor by August 7. The Annual Report and special tax levies have been submitted and confirmed for the fiscal year 2017-18.

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A special tax shall be levied within the Travis Unified School District (the "District") Community Facilities District No. 2 ("Goldridge" or "the CFD"), and collected according to the special tax liability determined by the District through the application of the following procedures. All of the property within the CFD, unless otherwise exempted by law or the express provisions of the rate and method of apportionment expressed below, shall be taxed to the extent and in the manner provided below.

DEFINITIONS

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311, et seq., California Government Code).

"Administrative Expenses" means any or all of the following: the costs associated with the creation of the CFD, issuance of Bonds, determination of the amount of Special Taxes, collection of Special Taxes, payment of Special Taxes, or costs otherwise incurred in order to carry out the authorized purposes of the CFD; any other expenses incidental to the construction, completion and inspection of the authorized work; any fees of the County of Solano relative to the collection of the Special Taxes, and any other incidental expenses authorized by the Act.

"Administrator" means District's Superintendent, his or her designee or the Firm or individual employed to prepare the Special Tax Annual Report.

"Annual Costs" for any Fiscal Year, shall include all those set forth in Sections 53317(c) and 53340 of the Act, Debt Service and Administrative Expenses, including funds not only to pay current Debt Service on the Bonds, but also to accumulate funds for future Debt Service, to pay amounts delinquent on the Bonds (or to become delinquent based on past Special Tax delinquencies), to replenish the reserve fund to its proper level (or to reimburse payments to be made from the reserve fund based upon past special tax delinquencies), to pay directly for any authorized facilities or to accumulate funds for that purpose.

"Annual Special Tax" means the Special Tax defined in this section.

"Bonds" means any and all bonds and other obligations issued by the District on behalf of the CFD, as permitted by the Act.

"CFD" means Community Facilities District No. 2 ("Gold Ridge") of the District created under the Act.

"Debt Service," for each Fiscal Year, means the amount of principal and interest due on the Bonds and any other amounts due under the terms of the Resolution for the repayment of Bonds.

"Developed Residential Property" means a Parcel in the CFD for which a building permit for a residential dwelling has been issued as of June 15 of the prior Fiscal Year.

"District" means the Travis Unified School District.

"Fiscal Year" means the period starting on July 1 and ending the following June 30.

"Maximum Annual Special Tax" means the maximum Special Tax that may be levied within the CFD in any Fiscal Year.

"Parcel" means any County of Solano Assessor's parcel that is within the boundaries of the CFD, which has been assigned a discrete identifying number.

"Prepaid Special Tax" means the Special Tax authorized to be paid in cash.

"Resolution" means the Resolution of Issuance for the Bonds to be adopted by the Board of Trustees of the District, acting as the legislative body of the CFD, authorizing the issuance of the Bonds under the Act.

"Special Tax" means the tax authorized to be levied in the CFD under the Act.

"Superintendent" means the Superintendent of Schools or other Chief Executive Officer of the Travis Unified School District or his or her designee.

"Taxable Space" means the square footage of a residential structure, measured at the exterior wall, but excluding (i) garages, carports, roof overhangs, passageways, and patios which are unenclosed and uncovered and (ii) tool sheds, greenhouses, and like detached structures.

"Tax-Exempt Property" means any property within the CFD which is not Developed Residential or Undeveloped Residential Property, and includes all land owned by a governmental body, except that if property not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, gift, or other device, or through eminent domain proceedings, the Special Tax shall continue to be levied on the property acquired and shall be enforceable against the public entity that acquired the property.

"Undeveloped Residential Property" means a Parcel in the CFD, which is zoned for residential use or changes to zoning for residential use and for which no building permit for the construction of a residential structure has been issued as of June 15 of the prior Fiscal Year.

"Unpaid Special Tax" means the difference between the Special Tax and the Prepaid Special Tax.

SPECIAL TAXES

1. Initial Special Tax. The Special Tax in Fiscal Year 1998-99 shall be levied against all Developed Residential Property at the rate of \$6.96 per square foot of Taxable Space.
2. Annual Adjustment. The Special Tax rate shall be adjusted in each Fiscal Year after the Fiscal Year ending June 30, 1999 by an amount equal to one-half (1/2) of the amount of increase in developer fees as authorized by the California State Allocation Board ("SAB") biennially, but in no case shall the increase exceed 2%, as determined by the Administrator on an annual basis. In the event the SAB discontinues issuing fee increases, the San Francisco Consumer Price Index shall be used.
3. Prepayment of Special Tax. The Special Tax may be paid in full at any time prior to the issuance of the Certificate of Occupancy for a Developed Residential Property by payment of an amount equal to the difference between the Prepaid Special Tax and the total Special Tax.

PREPAID SPECIAL TAX

1. Determination of Prepaid Special Tax. It is intended that each Developed Residential Property in the CFD shall have its Special Tax obligation partially paid by the use of the Prepaid Special Tax, which is computed at the rate of \$1.96 per square foot of Taxable Space of each Developed Residential Property for property first becoming subject to the Special Tax in 1998-99.
2. Annual Adjustment. The Prepaid Special Tax shall be adjusted in each Fiscal Year after the Fiscal Year ending June 30, 1999, by the Annual Adjustment.

ANNUAL SPECIAL TAX

1. Classification of Parcels. On or about July 1 of each Fiscal Year, but in sufficient time to include the levy of Special Taxes on the secured tax roll of the County of Solano, the District shall cause each Parcel to be classified as either (i) Developed Residential; (ii) Undeveloped Residential; or (iii) Tax-Exempt.
2. Calculation of Maximum Annual Special Tax. For Undeveloped Residential and Tax-Exempt Parcels, no Special Tax shall be levied. For Developed Residential Property, the Unpaid Special Tax shall be computed at the rate of \$0.43 per square foot of Taxable Space of each Developed Residential Property.
3. Determination of Annual Special Tax. After determining the Maximum Annual Special Tax, the District shall cause to be determined the total amount needed to pay the Annual Costs. If the total amount needed is less than the total Maximum Annual

Special Tax, then the tax levy shall be reduced, proportionately for all Developed Residential Parcels to reach the amount actually needed to pay the Annual Costs. That amount shall be the Annual Special Tax.

4. Annual Adjustment. The Maximum Annual Special Tax shall be adjusted in each Fiscal Year after the Fiscal Year ending June 30, 1999 by the Annual Adjustment.

COLLECTION OF ANNUAL SPECIAL TAX

The Annual Special Tax shall be collected each year upon the applicable assessor's parcels as shown by the Solano County Assessor to be within the boundaries of the CFD in the same manner as ordinary ad valorem property taxes are collected. The Annual Special Tax shall be subject to the same penalties and lien priorities in the case of delinquency as is provided for ad valorem taxes. The Administrator, on behalf of the District, shall cause the actions required above to be undertaken for each Fiscal Year in a timely manner to ensure that the roll of the Annual Special Taxes to be collected is received by the Auditor of the County of Solano as specified by the Act. The Annual Special Tax shall be levied and collected only so long as it is needed to pay the Annual Costs of the CFD and to pay for such projects as can be financed on a cash basis, and in any case, no parcel shall be subject to the Annual Special Tax for a period greater than thirty (30) years from the year in which the parcel is first assigned a tax.

APPEALS AND INTERPRETATION

Any property owner who feels that the portion of the Special Tax levied on the subject property is in error, may file a written appeal no later than April 10 of the Fiscal Year in which the levy occurred, with the Superintendent or his or her designee, appealing the levy of the Special Tax on the subject property. The Superintendent or his or her designee will promptly review the appeal, and, if necessary, meet with the applicant, and decide the merits of the appeal. If the findings of the Superintendent or his or her designee verify that the Special Tax levied should be modified, the Special Tax levy for future Fiscal Years shall be corrected, and a credit against future Special Taxes shall be arranged, if applicable. Any overcharges shall be corrected solely by means of adjustments to future Special Tax levies; no cash refunds shall be made. Any dispute over the decision of the Superintendent or his or her designee, shall be referred to the Board of Trustees of the District and the decision of the Board of Trustees of the District shall be final.

The Board of Trustees of the District may, by resolution, clarify any vagueness or uncertainty as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the Rate and Method of Apportionment of the Special Taxes.

CERTIFICATES

1. The undersigned respectfully submits the enclosed Special Tax Annual Report and does hereby certify that this Report has been computed by me in accordance with the Rate and Method of Apportionment for the Travis Unified School District Community Facilities District No. 2.

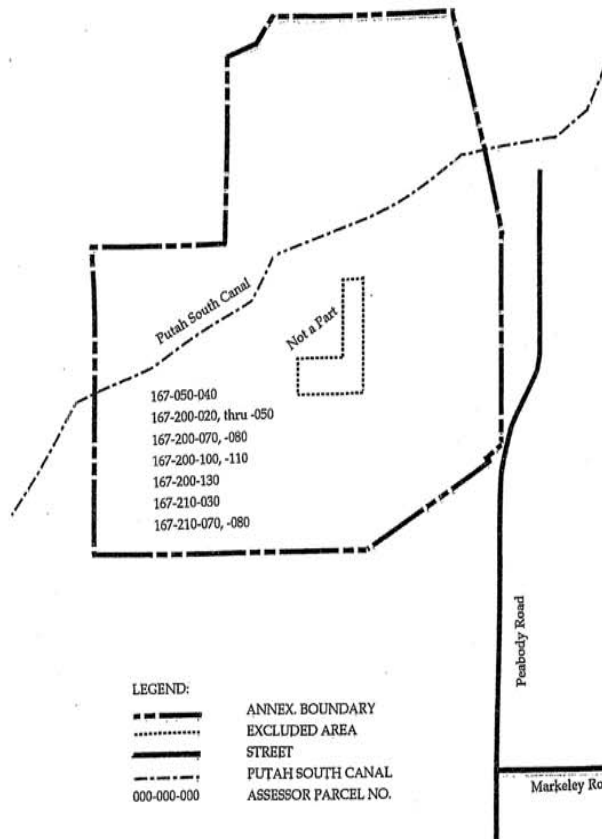
Blair Aas, SCI Consulting Group

2. I, the County Auditor of the County of Solano, California, hereby certify that the Tax Roll and tax levies for the Travis Unified School District Community Facilities District No. 2 for fiscal year 2017-18 were filed with me on _____, 2017.

County Auditor, County of Solano

EXHIBIT A - DISTRICT BOUNDARY DIAGRAMS

The Community Facilities District No. 2 includes all properties within the boundaries of the CFD No. 2. The boundaries of the CFD No. 2 are displayed on the following two assessment diagrams.



SECRETARY'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF THE TRAVIS UNIFIED SCHOOL DISTRICT, STATE OF CALIFORNIA, THIS 25TH DAY OF AUGUST, 1998.

Jackie A. Ottensm
SECRETARY OF THE BOARD

SECRETARY'S MAP CERTIFICATE

I DO HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITIES FACILITIES DISTRICT NO.2 (GOLD RIDGE) TRAVIS UNIFIED SCHOOL DISTRICT, COUNTY OF SOLANO, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF TRUSTEES OF THE TRAVIS UNIFIED SCHOOL DISTRICT AT A MEETING THEREOF, HELD ON THE 25TH DAY OF AUGUST, 1998 BY ITS RESOLUTION NO. 3-1998-99

Jackie A. Ottensm
SECRETARY OF THE BOARD

RECORDER'S CERTIFICATE

FILED THIS DAY OF Oct. 1, 1998 AT THE HOUR OF 2:16 PM O'CLOCK P.M. IN BOOK 17 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 13, IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SOLANO, STATE OF CALIFORNIA.
98-78474

Robert Bechschmidt by:
COUNTY RECORDER, COUNTY OF SOLANO
S. W. [Signature], Deputy

NOTE:

REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF SOLANO FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCELS SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE ASSESSOR'S PARCEL NUMBER.

MAP OF PROPOSED BOUNDARY TRAVIS UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2 (GOLD RIDGE) CITY OF FAIRFIELD, SOLANO COUNTY, CALIFORNIA

SHILTS CONSULTANTS, INC.
2300 BOYNTON AVENUE, SUITE 201
FAIRFIELD, CA 94533
707-426-5016



Assessor's Parcel Numbers

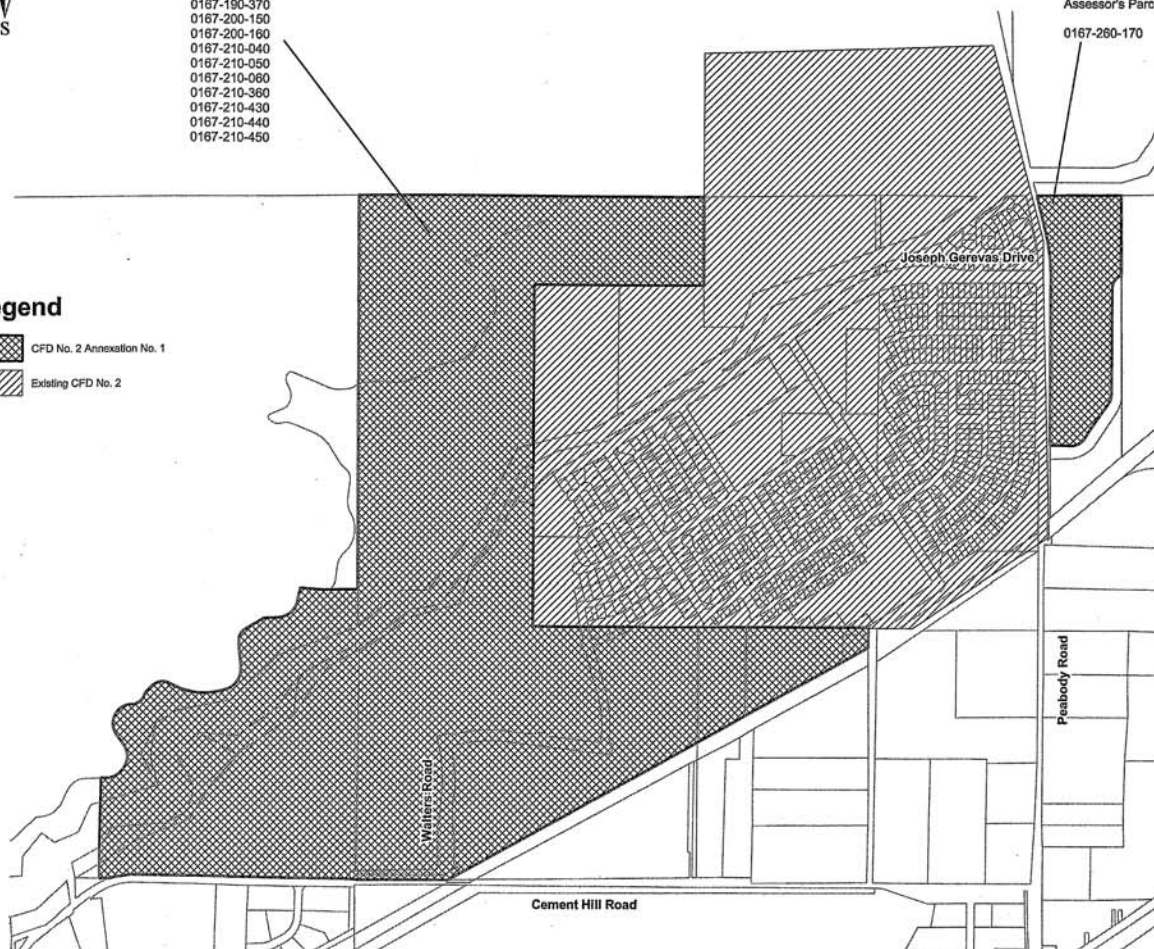
0167-190-340
0167-190-370
0167-200-150
0167-200-160
0167-210-040
0167-210-050
0167-210-060
0167-210-360
0167-210-430
0167-210-440
0167-210-450

Assessor's Parcel Number

0167-280-170

Legend

-  CFD No. 2 Annexation No. 1
 Existing CFD No. 2



Note:
Reference is hereby made to the maps and deeds of record in the Office of the Assessor of the County of Solano for a detailed description of the lines and dimensions of any parcels shown herein. Those maps shall govern for all details concerning the lines and dimensions of such parcels. Each parcel is identified in said maps by its distinctive parcel number.

ANNEXATION MAP NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 2
OF THE TRAVIS UNIFIED SCHOOL DISTRICT,
CITY OF FAIRFIELD,
COUNTY OF SOLANO,
STATE OF CALIFORNIA

THIS MAP AMENDS THE BOUNDARY MAP FOR COMMUNITY FACILITIES DISTRICT NO. 2, TRAVIS UNIFIED SCHOOL DISTRICT, CITY OF FAIRFIELD, COUNTY OF SOLANO, STATE OF CALIFORNIA, FILED IN BOOK 17, PAGE 13 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITY DISTRICTS AS DOCUMENT 98-78474 IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF SOLANO, STATE OF CALIFORNIA.

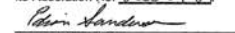
CLERK'S MAP FILING STATEMENT

Filed in the Office of the Clerk of the Board of the Travis Unified School District, State of California, this 14 day of JUNE, 2007


Clerk of the Board

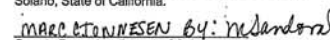
CLERK'S MAP CERTIFICATE

I do hereby certify that the within map showing the proposed boundaries of the Annexation No. 1 to the Community Facilities District No. 2, Travis Unified School District, County of Solano, State of California, was approved by the Board of Trustees of the Travis Unified School District at a meeting thereof, held on the 8 day of MAY, 2007 by its Resolution No. 2006-07-23


Clerk of the Board

RECORDER'S CERTIFICATE

Filed this 14 day of JUNE, 2007 at the hour of 9:49 o'clock A.m. in Book 24 of Maps of Assessments and Community Facilities District at Page 6, in the Office of the County Recorder in the County of Solano, State of California.


County Recorder, County of Solano

07-47057



Legend



Proposed Boundaries of CFD No. 2 Annexation No. 2

Assessor's Parcel Numbers

0166-120-880
0166-120-890
0166-130-360
0166-130-370
0166-130-380
0166-010-110



ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2 (GOLD RIDGE) OF THE TRAVIS UNIFIED SCHOOL DISTRICT, CITY OF FAIRFIELD, COUNTY OF SOLANO, STATE OF CALIFORNIA

THIS MAP CROSS-REFERENCES MAP ENTITLED PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2, TRAVIS UNIFIED SCHOOL DISTRICT, CITY OF FAIRFIELD, COUNTY OF SOLANO, STATE OF CALIFORNIA, FILED IN BOOK 17, PAGE 13 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AS DOCUMENT 98-78474 IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF SOLANO, STATE OF CALIFORNIA.

CLERK'S MAP FILING STATEMENT

Filed in the Office of the Clerk of the Board of the Travis Unified School District, State of California, this 2nd day of April, 2014

Dawn W. Kirby
Clerk of the Board

CLERK'S MAP CERTIFICATE

I do hereby certify that the within map showing the proposed boundaries of the Annexation No. 2 to the Community Facilities District No. 2, Travis Unified School District, County of Solano, State of California, was approved by the Board of Trustees of the Travis Unified School District at a meeting thereof, held on the 8th day of April, 2014 by its Resolution No. 2013-14-26

Dawn W. Kirby
Clerk of the Board

RECORDER'S CERTIFICATE

Filed this 16th day of May, 2014 at the hour of 2:10 o'clock p.m. in Book 25 of Maps of Assessments and Community Facilities District at Page 13, in the Office of the County Recorder in the County of Solano, State of California. 2014-23149

Marc C. Tennesen by deputy Michael Morchane
County Recorder, County of Solano

EXHIBIT B - FY 2017-18 SPECIAL TAX ROLL

The tax roll listing the fiscal year 2017-18 Special Tax for all Assessors' Parcels of land within the boundaries of the Community Facilities District No. 2 ("CFD No. 2") of the Travis Unified School District is filed with the District. It is too voluminous to be bound with this Special Tax Annual Report and is, by reference, made part of this Annual Report and is available for public inspection during normal office hours.

The tax listed for each parcel on the following Tax Roll was computed at the rate of \$0.5878 per square foot of assessable space for each developed Residential parcel in CFD No. 2 for which a building permit has been issued prior to June 15, 2017.

Any commercial, industrial, governmentally owned, or non-residentially improved parcels are listed with zero Special Tax.

EXHIBIT C - NOTICE OF SPECIAL TAX LIEN

The Notice of Special Tax Lien thru June 15, 2018 for Community Facilities District No. 2 is presented on the following page.

NOTICE OF SPECIAL TAX

**COMMUNITY FACILITIES DISTRICT NO. 2
TRAVIS UNIFIED SCHOOL DISTRICT
COUNTY OF SOLANO, CALIFORNIA**

TO: THE PROSPECTIVE PURCHASER OF THE RESIDENTIAL REAL PROPERTY KNOWN AS:

**This information is Valid
Through June 15, 2018.**

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR PURCHASING THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ THIS NOTICE.

- (1) This property is subject to a special tax, which is in addition to the regular property taxes and any other charges and benefit assessments on the parcel. This special tax may not be imposed on all parcels within the city or county where the property is located. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to provide public facilities or services that are likely to particularly benefit the property. YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE PUBLIC FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.
- (2) The Initial Special Tax which may be levied against this parcel to pay for public facilities is \$9.7048 per sq. ft. on residential construction for which a building permit was issued between August 9, 2017 and June 15, 2018. The Initial Special Tax shall be adjusted at the end of each Fiscal Year not to exceed 2%.

As an alternate to paying the Initial Special Tax at the time of the issuance of a residential building permit, a Prepaid Special Tax may be made per square foot of residential space. The total Prepaid Special Tax on this parcel is \$2.7330 per sq. ft. of residential space for which a building permit was issued between August 9, 2017 and June 15, 2018. The Prepaid Special Tax shall be adjusted at the end of each Fiscal Year not to exceed 2%.

Those developed residential properties that made a Prepaid Special Tax at the issuance of the building permit will be subject to an Annual Special Tax. The Annual Special Tax shall apply on the following Fiscal Year upon which the building permit is issued. The Annual Special Tax for the 2017-18 Fiscal Year for which a building permit was issued as of June 16, 2017 shall be \$0.5878 per sq. ft. of residential space. The Annual Special Tax shall be adjusted at the end of each Fiscal Year not to exceed 2%.

The Annual Special Tax shall be levied and collected only so long as it is needed to pay the Annual Costs of the CFD and to pay for such projects as can be financed on a cash basis, and in any case, no parcel shall be subject to the Annual Special Tax for a period greater than thirty (30) years from the year in which the parcel is first assigned a tax.

- (3) The authorized facilities which are being paid for by the special taxes, and by the money received from the sale of any bonds which will be repaid by the special taxes, to the extent that financing is available, are:
 - A) Elementary, Middle, and High School facilities to serve students coming from residential units constructed within the boundaries of CFD No. 2
 - B) Support facilities to include but not limited to, administration, food service, maintenance, and transportation to serve students coming from residential units constructed within the boundaries of CFD No. 2.

YOU MAY OBTAIN A COPY OF THE RESOLUTION WHICH AUTHORIZED CREATION OF THE COMMUNITY FACILITIES DISTRICT, AND WHICH SPECIFIED MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM THE TRAVIS UNIFIED SCHOOL DISTRICT BY CALLING 437-8227. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE ESTIMATED REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

DATE _____

(This Page Intentionally Left Blank)