

**FIRST AMENDED
RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAXES FOR
COMMUNITY FACILITIES DISTRICT NO. 14-1
OF THE
TUSTIN UNIFIED SCHOOL DISTRICT**

A Special Tax shall be levied and collected within Community Facilities District No. 14-1 of the Tustin Unified School District (referred to herein as “CFD No. 14-1”) each Fiscal Year following the recordation of a notice of dissolution of Community Facilities District No. 11-1 of the Tustin Unified School District (“CFD No. 11-1”) and a notice of cancellation of special tax lien of Community Facilities District Nos. 07-1 with respect to all property within CFD No. 14-1, in an amount determined by the Board of Education of the Tustin Unified School District, acting as the Legislative Body of CFD No. 14-1, as described below. All of the property in CFD No. 14-1, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“**Administrative Expenses**” means any reasonably necessary or appropriate expenses incurred by the School District in the administration of CFD No. 14-1 and the Bonds, including, but not limited to, the administrative and legal costs of levying and collecting the Special Tax (including costs incurred in connection with any appeals relating thereto and litigation expenses incurred in connection with the collection of the Special Tax); the fees and expenses of any bond trustee, fiscal agent or paying agent; remarketing, credit enhancement and liquidity facility fees; the costs incurred in connection with on-going disclosure in connection with the Bonds; the costs incurred in connection with the disclosure of the Special Tax to property owners and potential purchasers of property; and amounts required to calculate and pay arbitrage rebate payments to the federal government. If Bonds are issued as part of a pooled-bonding debt structure which is secured by special taxes levied and collected from both CFD No. 07-1 and CFD No. 14-1, expenses shall be limited to such expenses that are reasonably allocated to CFD No. 14-1 as determined by the Tax Administrator and which are not already allocated to, and collected from, CFD No. 07-1.

“**Age-Restricted Project**” means a residential project consisting of Dwelling Units developed for senior citizen housing, a residential care facility for the elderly, or a multi-

level facility for the elderly, as described in Government Code Section 65995.1 as such section may be amended from time to time.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel with an assigned Assessor’s Parcel number shown on an Assessor’s Parcel Map.

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

“Assigned Special Tax” means for Residential Developed Property, the Assigned Special Tax rate shown in Section C.1 that can be levied in any Fiscal Year.

“Backup Special Tax” means the Backup Special Tax for each Assessor’s Parcel of Residential Developed Property as described in Section C. 1.

“Board of Education” means the Board of Education of the School District, in certain cases acting as the Legislative Body of CFD No. 14-1.

“Bond” means any bond or other form of “debt,” as defined in Section 53317(d) of the Act, which is payable from (i) Special Taxes levied by CFD No. 14-1 and which has been issued pursuant to the Act by or on behalf of CFD No. 14-1.

“Bond Year” means, with respect to each issue of Bonds, the period that commences on the date on which such Bonds are issued and, subsequent to such issuance, on each September 2, and ends on the following September 1.

“Buildable Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“CFD No. 07-1” means Community Facilities District No. 07-1 of the Tustin Unified School District.

“CFD No. 14-1” means Community Facilities District No. 14-1 of the Tustin Unified School District.

“County” means the County of Orange.

“Developed Property” means all Taxable Property (other than Excess Public Property and Excess Association Property) for which a building permit for construction of a building was issued either prior to the commencement of such Fiscal Year or, if CFD No. 14-1 determines that the efficient levy and collection of the Special Tax so requires, prior to the June 1 preceding the commencement of such Fiscal Year.

“Developer” means, collectively, the Irvine Community Development Company, LLC, and The Irvine Company, LLC, and any successors or assigns and as more particularly described in the Mitigation Agreement.

“ Dwelling Unit” means an individual single family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, cluster-type or apartment structure.

“Excess Association Property” means, the Parcels of Property Owners Association Property or the portion thereof, as the case may be, the area of which when added to the area of all other Parcels of Property Owners Association Property exceeds the acreage of Property Owners Association Property exempted in Section E below and which are those Parcel(s) that most recently became Property Owners Association Property based on the dates reflected on the grant deeds or other instruments pursuant to which Parcels were conveyed to a property owners association or a private land trust.

“Excess Non-Residential Property” means, the Parcels of Non-Residential Property or the portion thereof, as the case may be, the area of which when added to the area of all other Parcels of Non-Residential Property exceeds the acreage of Non-Residential Property exempted in Section E below and which are those Parcel(s) that most recently became Non-Residential Property based on the dates reflected on the building permits pursuant to which Parcels became Non-Residential Property.

“Excess Public Property” means the Parcels of Public Property, or the portion thereof, as the case may be, the area of which when added to the area of all other Parcels of Public Property exceeds the acreage of Public Property exempted in Section E below and which are those Parcel(s) that most recently became Public Property based on the dates on which final maps were recorded irrevocably dedicating properties as Public Property or the dates of the other instruments by which Parcels became Public Property.

“Final Map Property” means all Taxable Property (other than Excess Public Property and Excess Association Property) and for which a Final Map has been recorded as of June 1 preceding the commencement of such Fiscal Year but for which a building permit for construction of a building has not been issued either prior to the commencement of such Fiscal Year or, if CFD No. 14-1 determines that the efficient levy and collection of the Special Tax so requires, prior to the June 1 preceding the commencement of such Fiscal Year.

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

“Land Use Class” means, individually, Residential Developed Property, Final Map Property, Undeveloped Property, Excess Association Property, Excess Non-Residential Property and Excess Public Property.

“Maximum Special Tax” means (i) for Residential Developed Property the greater of the Assigned Special Tax or Backup Special Tax determined in accordance with

Section C.1 below and (ii) for all other Taxable Property, the amount set forth in Section C. 1 that can be levied on an Assessor's Parcel in any Fiscal Year.

“Mitigation Agreement” means the Third Amended and Restated School Facilities and Funding Agreement between the School District, CFD Nos. 07-1, 11-1 and 14-1 and Developer, and, if and when amended, any amendments thereto.

“Non-Residential Property” means any Assessor's Parcel of Developed Property within CFD No. 14-1 which is not Residential Developed Property.

“Parcel Area” means (a) except as provided in clause (b), the square footage or acreage of an Assessor's Parcel or, (b) in the case of an Assessor's Parcel of Property Owners Association Property, Non-Residential Property or Public Property a portion but not all of which is Excess Association Property, Excess Non-Residential Property or Excess Public Property, as the case may be, the square footage or acreage of the Excess Association Property, Excess Non-Residential Property or Excess Public Property, in each case as determined by the Tax Administrator from the subdivision map or parcel map creating such Assessor's Parcel or, if the square footage or acreage of an Assessor's Parcel cannot be reasonably determined from such subdivision map or parcel map, from such source or sources as the Tax Administrator determines to be most appropriate under the circumstances.

“Priority Administrative Expenses” means \$55,000, and such amount shall increase by two percent (2%) annually commencing July 1, 2014.

“Property Owners Association Property” means any property within CFD No. 14-1 that is owned by a homeowners association, a property owners association or a private land trust, excluding such property under the pad or footprint of a residential structure. Property Owners Association Property shall also include property designated as association property or open space in a recorded Final Map whether or not such property has yet been conveyed to a homeowners association, a property owners association or a private land trust.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor's Parcels of Developed Property, for Final Map Property, that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor's Parcels of Final Map Property, and, for Undeveloped Property, that the ratio of the actual Special Tax to the Maximum Special Tax is equal for all Assessor's Parcels of Undeveloped Property. For Excess Association Property, “Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied is equal for all Assessor's Parcels of Excess Association Property. For Excess Non-Residential Property, “Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied is equal for all Assessor's Parcels of Excess Non-Residential Property.

“Public Property” means any Assessor’s Parcel within the boundaries of CFD No. 14-1 that is either (i) owned by or dedicated to the federal government, the State of California, the School District, or any other public agency, provided that any leasehold or other possessory interest in such property (which leasehold or other possessory interest is not owned by a public agency) shall not be considered Public Property or (ii) determined by the Tax Administrator to be subject to public utility easements or easements for other public purposes to such an extent that it would be impractical to use such property for any substantial purpose other than the purpose or purposes set forth in the easement.

“Rate and Method” means the Rate and Method of Apportionment of Special Taxes for CFD No. 14-1.

“Residential Developed Property” means any Assessor’s Parcel of Developed Property, the building permit or permits applicable to which allow the construction of one or more residential Dwelling Units.

“Residential Floor Area” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area for an Assessor’s Parcel shall be made by reference to the building permit(s) issued for such Assessor’s Parcel.

“School District” means the Tustin Unified School District or any successor thereto.

“Special Tax” means the special tax authorized by the qualified electors of CFD No. 14-1 to be levied pursuant to this Rate and Method.

“Special Tax Requirement” means the sum of (a) the principal of and interest on Bonds coming due in the Bond Year which begins in such Fiscal Year, except to the extent such principal or interest is expected to be paid from proceeds from the sale of Bonds or other amounts then available and required or permitted to be used for such purpose, including funds (e.g., the Annual Contractual Debt Service Payment as defined in the Mitigation Agreement) received as provided for in the Mitigation Agreement for such purpose, (b) the amount of the Special Tax levied but unpaid during the Fiscal Year immediately preceding the Fiscal Year for which the Debt Service Requirement is being determined, (c) the sum of all deposits required to be made into any reserve fund or any sinking fund established with respect to any Bonds during the Bond Year referred to in clause (a), (d) the Administrative Expenses which CFD No. 14-1 reasonably estimates shall be required to be paid through the end of the Bond Year referred to in clause (a) and for the payment of which CFD No. 14-1 reasonably estimates that it shall not have other revenues available, (e) to pay directly or accumulate funds for the acquisition, construction, modernization, rehabilitation and technology improvements of facilities but only to the extent that the inclusion of such amount does not increase the Special Tax Levy on Final Map Property and Undeveloped Property,.

“Tax Administrator” means such person or firm as may from time to time be authorized or directed by the Board of Education to undertake the duties of the Tax Administrator thereto.

“Taxable Property” means, for any Fiscal Year, all Assessor’s Parcels within CFD No. 14-1 that are not exempt from the Special Tax for such Fiscal Year pursuant to law or Section E below.

“Undeveloped Property” means, in any Fiscal Year, all Taxable Property that is not classified as Developed Property, Final Map Property, Excess Association Property, Excess Public Property or Excess Non-Residential Property.

B. DETERMINATION AS TO TYPE OF PROPERTY

Prior to the levy of the Special Tax in each Fiscal Year, the Tax Administrator shall make the following determinations, classifications and assignments:

1. All Assessor’s Parcels within CFD No. 14-1 shall be determined to be either Taxable Property or exempt from the Special Tax pursuant to law or Section E below.

2. All Taxable Property shall be classified as Residential Developed Property, Final Map Property, Excess Association Property, Excess Public Property, Excess Non-Residential Property or Undeveloped Property.

3. In any Fiscal Year, if it is determined that: (i) a parcel map for property in CFD No. 14-1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor shall not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created parcels is in a different Land Use Class than other parcels created by the subdivision, the Tax Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Land Use Class, then applying the sum of the individual Special Taxes to the Assessor’s Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX RATES

1. The Maximum Special Tax shall be determined pursuant to this Section C, provided that the Maximum Special Tax for an Assessor’s Parcel shall be reduced to reflect a partial prepayment of the Special Tax applicable thereto as provided for in Section H. For Fiscal Year 2014-15, the Assigned Special Tax for an Assessor’s Parcel of Residential Developed Property and the Maximum Special Tax for any Assessor’s Parcel of Taxable Property shall be the amounts shown below. The Maximum Special

Tax applicable to an Assessor's Parcel of Residential Developed Property shall be the greater of the Assigned Special Tax and Backup Special Tax calculated for the Assessor's Parcel.

Assigned Special Tax for Residential Developed Property:	\$0.964 per square foot of Residential Floor Area
Backup Special Tax for Residential Developed Property:	\$30,000 per acre of Parcel Area
Excess Association Property:	\$30,000 per acre of Parcel Area
Excess Non-Residential Property:	\$30,000 per acre of Parcel Area
Excess Public Property:	\$30,000 per acre of Parcel Area
Final Map Property:	\$30,000 per acre of Parcel Area
Undeveloped Property:	\$30,000 per acre of Parcel Area

On July 1, 2015, and on each July 1 thereafter, the Maximum Special Taxes shown above, and as they may be reduced pursuant to Section C.2 below, shall be increased by an amount equal to two percent (2%) of the amount in effect for the prior Fiscal Year.

2. Within 45 days following the initial issuance of Bonds, the Tax Administrator shall determine if the actual annual debt service on such initial series of the Bonds is less than the estimated annual debt service used initially to set the Special Tax rates. If the actual annual debt service is less, the Special Tax in each Land Use Class in Section C.1 above shall be proportionately reduced to an amount sufficient to generate special tax revenues in each Fiscal Year equal to (i) the Priority Administrative Expenses amount plus (ii) 1.10 times actual annual debt service on the Bonds, as reasonably determined by the Tax Administrator. The Tax Administrator shall, upon adoption of a confirming resolution of the Board of Education, complete the table set forth in Exhibit A to this Rate and Method with the new Special Tax rates and record with the Orange County Recorder's office an Addendum to the Notice of Special Tax Lien for CFD No. 14-1, which Addendum shall (i) reference the book, page and recording date of the original Notice of Special Tax Lien for CFD No. 14-1 and any prior amendments to it, (ii) include the table set forth in Exhibit A and shall otherwise clearly set forth the reduced Special Tax rates.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Beginning in Fiscal Year 2014-15, CFD No. 14-1, shall proportionately levy the Special Tax on each Assessor's Parcel of Taxable Property at a rate necessary to fund the Special Tax Requirement, but in no case at an amount that is greater than the Maximum Special Tax rate in the following order of priority:

First: the Special Tax shall be levied at the Assigned Special Tax rate applicable to each Assessor's Parcel of Residential Developed Property;

Second: to the extent additional money is needed in order to equal the Special Tax Requirement for such Fiscal Year, the Special Tax shall be levied Proportionately on all Final Map Property, provided that in no event shall the amount of the Special Tax so levied exceed the applicable Maximum Special Tax;

Third: to the extent additional money is needed in order to equal the Special Tax Requirement for such Fiscal Year, the Special Tax shall be levied Proportionately on all Undeveloped Property, provided that in no event shall the amount of the Special Tax so levied exceed the applicable Maximum Special Tax;

Fourth: to the extent additional money is needed in order to equal the Special Tax Requirement for such Fiscal Year, the Special Tax shall be levied Proportionately on all Excess Non-Residential Property, provided that in no event shall the amount of the Special Tax so levied exceed the applicable Maximum Special Tax;

Fifth: to the extent additional money is needed in order to equal the Special Tax Requirement for such Fiscal Year, the Special Tax shall be levied Proportionately on all Excess Association Property, provided that in no event shall the amount of the Special Tax so levied exceed the applicable Maximum Special Tax; and

Sixth: to the extent additional money is needed in order to equal the Special Tax Requirement for such Fiscal Year, the Special Tax shall be levied Proportionately on all Excess Public Property, provided that in no event shall the amount of the Special Tax so levied exceed the applicable Maximum Special Tax.

E. EXEMPTIONS

The Board of Education shall not levy a Special Tax on up to the first 230 acres of land within CFD No. 14-1 to become Public Property, up to the first 435 acres of land within CFD No. 14-1 to become Property Owners Association Property, or up to the first 17 acres of land within CFD No. 14-1 to become Non-Residential Property provided that if the total area within CFD No. 14-1 is increased after its formation but the principal amount of Bonds authorized to be issued is not increased, the foregoing amounts may be increased to such amount as the Board of Education determines appropriate so long as the aggregate amount of such increases do not exceed the aggregate Parcel Area of the Taxable Property so added to CFD No. 14-1, and provided further that the foregoing amount may be increased at the direction of the Board of Education if the Board of Education determines that the total Maximum Special Tax that may be levied in each Fiscal Year on all of the Assessor's Parcels within CFD No. 14-1 that shall remain Taxable Property shall be at least equal to the Special Tax Requirement for such Fiscal Year.

Residential units within an Age-Restricted Project shall be exempt from the levy of Special Taxes if and to the extent such units were expected to be exempt at the time Bonds were sold for CFD No. 07-1, as determined by the Tax Administrator. If such an exemption was not anticipated when such Bonds were issued, units within the Age-

Restricted Project shall be subject to the Maximum Special Taxes identified in Section C above.

F. APPEALS

Any landowner who feels that the amount of the Special Tax levied on such landowner's property is in error may file a notice with CFD No. 14-1 appealing the amount of the Special Tax; provided, however that the filing of a notice does not relieve such landowner of the obligation to pay in full the actual Special Tax levied. A representative of CFD No. 14-1 shall then review the appeal and, if necessary, meet with the applicant. If the findings of the CFD No. 14-1 representative verify that the amount of the Special Tax should be modified or changed, then, as appropriate, the Special Tax levy shall be corrected, or if the amount has been paid, then it shall be refunded from available Special Taxes levied and collected in the following Fiscal Year.

G. MANNER OF COLLECTION

CFD No. 14-1 may levy and collect the Special Tax Requirement as provided and at such times as specified in this Rate and Method. The Special Taxes shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes. However, to the extent that the property to be levied is exempt from the levy of ordinary *ad valorem* property taxes or other obligations of the District with respect to the outstanding Bonds requires that the levy and collection of special taxes be done in a manner or time that is different than the levy of ordinary *ad valorem* property taxes, the District may invoice such properties directly.

H. PREPAYMENT OF SPECIAL TAX

The owner of an Assessor's Parcel classified as Residential Developed Property and as to which no Special Tax is delinquent may prepay the Special Tax applicable to such Assessor's Parcel in whole or in part as described in this Section H.

Such owner shall provide the Tax Administrator with (i) written notice of intent to prepay and (ii) payment of the fee established by the Tax Administrator to process the prepayment request. Within a reasonable time frame thereafter (as determined by the Tax Administrator), the Tax Administrator shall notify such owner of the prepayment amount applicable to such Assessor's Parcel.

The following definitions (in addition to those set forth in the text herein) apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding pursuant to the terms of the documents under which they were issued, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor's Parcel making a prepayment, and a portion of such Special Tax has been or will be used to pay a portion of the next principal payment on the

Bonds, such portion of the next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued on behalf of CFD No. 14-1 prior to the date of prepayment.

The Prepayment Amount shall be calculated as follows: (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the total Maximum Special Tax for the Assessor’s Parcel as it would apply in the current Fiscal Year based upon this Rate and Method.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Assessor’s Parcel by the lesser of (i) the Maximum Special Tax revenues that could be collected in the current Fiscal Year from all Taxable Property in CFD No. 14-1, or (ii) the Maximum Special Tax revenues that could be generated in the current Fiscal Year assuming buildout of property in CFD No. 14-1 based on anticipated land uses at the time the prepayment is calculated.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of the Outstanding Bonds of CFD No. 14-1 to be redeemed or paid at maturity (the “Bond Redemption Amount”).
- Step 4.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed in advance of their maturity (the “Redemption Premium”).
- Step 5.** Compute the amount needed to assure the payment of interest on the Bond Redemption Amount from the last date on which interest was payable on the Outstanding Bonds until the earliest redemption date for the Outstanding Bonds.

- Step 6:** Compute the minimum amount the Tax Administrator reasonably expects to be derived from the investment of the Bond Redemption Amount plus the Redemption Premium until the redemption date for the Outstanding Bonds that are expected to be redeemed with the prepayment.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (the “Defeasance Requirement”).
- Step 8.** Calculate the administrative fees and expenses of CFD No. 14-1 in connection with the prepayment, including the costs of computation of the prepayment, the costs of redeeming the Outstanding Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the “Administrative Fees and Expenses”).
- Step 9.** If and to the extent so provided in the indenture pursuant to which the Outstanding Bonds to be redeemed were issued, calculate a reserve fund credit as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “Reserve Fund Credit”).
- Step 10.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “Prepayment Amount”).

The owner of any Assessor’s Parcel classified as Residential Developed Property and as to which no Special Tax is delinquent may discharge the Special Tax applicable to such Assessor’s Parcel in whole or in part in the same manner described above for prepayments by paying the applicable percentage of the applicable Prepayment Amount (computed without the Administrative Fees and Expenses) plus the applicable Administrative Fees and Expenses. From and after the School District’s receipt, on behalf of CFD No. 14-1, of any such partial prepayment, the Maximum Special Tax applicable to such Assessor’s Parcel shall be the product of the Maximum Special Tax which would have otherwise been applicable thereto times the remainder of 100% minus the percentage of the Prepayment Amount (computed without regard to Administrative Fees and Expenses) that was actually prepaid.

I. INTERPRETATION AND APPLICATION

The interpretation and application of this Rate and Method are subject to the exercise of discretion by CFD No. 14-1 and the Board of Education may, from time to time, provide written interpretations as to the application of this Rate and Method.

J. TERM OF THE SPECIAL TAX

For each year that any Bonds are outstanding the Special Tax shall be levied on all Assessor's Parcels subject to the Special Tax. If any delinquent Special Taxes remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse CFD No. 14-1 for uncollected Special Taxes associated with the levy of such Special Taxes.

The Special Tax may also be levied after all Bonds are retired but only to the extent that the Board of Education, acting as the Legislative Body of CFD No. 14-1, determines it to be necessary to modernize, rehabilitate, or accomplish technology improvements relating proportionately to Project Students from the Project and Amended Project, if any, public school facilities authorized to be funded through CFD No. 14-1 as set out in the proceedings for the formation for CFD No. 14-1 pursuant to the Act. However, in no case shall Special Taxes be levied any later than the 2055-2056 Fiscal Year.

EXHIBIT A

**REVISED SPECIAL TAX RATES FOLLOWING
INITIAL ISSUANCE OF BONDS ⁽¹⁾**

<u>Assigned Special Tax for Residential Developed Property:</u>	\$0.808 per square foot of Residential Floor Area
<u>Backup Special Tax for Residential Developed Property:</u>	\$25,145 per acre of Parcel Area
<u>Excess Association Property:</u>	\$25,145 per acre of Parcel Area
<u>Excess Non-Residential Property:</u>	\$25,145 per acre of Parcel Area
<u>Excess Public Property:</u>	\$25,145 per acre of Parcel Area
<u>Final Map Property:</u>	\$25,145 per acre of Parcel Area
<u>Undeveloped Property:</u>	\$25,145 per acre of Parcel Area

On July 1, 2015, and on each July 1 thereafter, the Special Taxes shown above shall be increased by an amount equal to two percent (2%) of the amount in effect for the prior Fiscal Year.

(1) Revised Special Tax Rates Applicable to TUSD CFD No. 14-1 as a result of favorable pricing of the fixed-rate bonds, dated April 16, 2014.