



**PALMDALE SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT No. 90-1**

**ANNUAL REPORT
FISCAL YEAR 2013/14**

KOPPEL & GRUBER
PUBLIC FINANCE

334 VIA VERA CRUZ, SUITE 256
SAN MARCOS
CALIFORNIA 92078

T. 760.510.0290
F. 760.510.0288

District Administration

Palmdale School District
Cathy A. Shepard, Chief Business Officer
Trixie Flores, Facilities Planning Technician
39139 North 10th St East
Palmdale, CA 93550
T. 661.947.7191
F.661.273.5137

Bond and Disclosure Counsel

Nixon Peabody LLP
One Embarcadero Center, Suite 1800
San Francisco, California 94111
T. .415.984.8200
F. 415.984.8300

Fiscal Agent

U.S. Bank, NA
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
T. 213.615.6199

Special Tax Administrator

Koppel & Gruber Public Finance
Scott Koppel/Lyn Gruber
334 Via Vera Cruz, Suite 256
San Marcos, California 92078
T. 760.510.0290
F. 760.510.0288

TABLE OF CONTENTS

INTRODUCTION	1
SECTION I. SPECIAL TAX LEVY FOR FY 2013/14	2
A. Bond Requirement	2
B. Distribution of Special Tax	3
C. Estimated Administrative Expenses	4
SECTION II. SUMMARY OF DELINQUENT SPECIAL TAXES.....	5
SECTION III. BACKGROUND OF CFD NO. 90-1	6
A. Summary Table of Information	6
B. CFD No. 90-1 Background	6
C. Boundaries	6
D. Annexations	6
SECTION IV. THE BONDS	8
A. Summary Table of Information	8
B. 1999 Bonds	8
C. 2011 Bonds.....	8
D. 2012 Bonds	9
E. Covenant for Judicial Foreclosure	9

ATTACHMENTS

- ATTACHMENT 1 – DEBT SERVICE SCHEDULES**
- ATTACHMENT 2 – RATE & METHOD OF APPORTIONMENT**
- ATTACHMENT 3 – FY 2013/14 SPECIAL TAX ROLL**

INTRODUCTION

This Annual Special Tax Report (“Report”) summarizes certain general, financial and administrative information related to Community Facilities District No. 90-1 (“CFD No. 90-1”) of the Palmdale Elementary School District (“District”) (also referred to as the Palmdale School District) and the Bonds (as defined herein). The Report outlines the following for CFD No. 90-1: (I) Special Tax Levy for Fiscal Year 2013/14, (II) Summary of Delinquent Special Taxes, (III) Background of CFD No. 90-1, and (IV) Bonds. The Report also includes Attachments referenced by and/or supplementing the information outlined herein. The capitalized terms used in the Report and not defined herein are used as defined in the Rate and Method of Apportionment of Special Tax of CFD No. 90-1 (“RMA”) and/or the Fiscal Agent Agreement (“FAA”) by and between the District and U.S. Bank National Association.

SECTION I. SPECIAL TAX LEVY FOR FY 2013/14

Section I of the Report contains information for the determination of the Fiscal Year (“FY”) 2013/14 Special Tax levy for CFD No. 90-1.

A. Bond Requirement

The Bond Requirement represents the interest and principal payments due on the outstanding CFD No. 90-1 Special Tax Bonds, 1999 (“1999 Bonds”), the Special Tax Bonds Series 2011A & 2011B (the “2011 Bonds”) and the Special Tax Bonds, Series 2012A and Special Tax Refunding Bonds, Series 2012B (the “2012 Bonds”) (collectively the “Bonds”) of the District in Calendar Year 2014 and estimated Administrative Expenses and anticipated delinquencies for CFD No. 90-1 in FY 2013/14. The Bond Requirements calculated in accordance with the RMA (please see Attachment 2 for a full copy of the RMA) is \$5,912,880.84. The application of the Annual Special Tax on parcels of Developed Property generates Special Tax revenues in excess of the amount needed to fund the Bond Requirement for FY 2013/14. The table below shows the calculation used to determine the Bond Requirements and shows the Additional Special Taxes and the total Special Tax levy for FY 2013/14. FY 2012/13 amounts are also provided for comparison.

SPECIAL TAX COMPONENTS	FY 2013/14 DOLLARS	FY 2012/13 DOLLARS
Bond Requirement		
<i>Bond Debt Service</i> ¹		
Principal Due-1999 Bonds (February 1)	\$200,000.00	\$0.00
Principal Due-1999 Bonds (August 1)	200,000.00	350,000.00
Interest Due-1999 Bonds (February 1)	416,632.50	575,295.00
Interest Due-1999 Bonds (August 1)	410,932.50	425,732.50
Principal Due-2011 Bonds (August)	465,000.00	700,000.00
Interest Due-2011 Bonds (February)	583,939.15	603,882.15
Interest Due-2011 Bonds (August 1)	583,939.15	603,882.15
Principal Due-2012 Bonds (August 1)	215,000.00	240,000.00
Interest Due-2012 Bonds (February 1)	104,546.88	73,674.51
Interest Due-2012 Bonds (August 1)	104,546.88	106,946.88
<i>Subtotal Bond Debt Service</i>	<i>\$3,284,537.06</i>	<i>\$3,679,413.19</i>
Administrative Expenses	23,703.00	23,588.25
Anticipated Delinquencies ²	295,644.04	287,646.09
Total Bond Requirement	\$3,603,884.10	\$3,990,647.53
Additional Special Taxes	2,308,996.74	1,762,274.31
SPECIAL TAX LEVY	\$5,912,880.84	\$5,752,921.84

¹ Bond Debt Service payments listed under FY 2013/14 Dollars are due in Calendar Year 2014 and payments listed under FY 2012/13 are due in Calendar Year 2013.

² Anticipated delinquencies are conservatively estimated at five percent (5.0%) of the Special Tax levy.

B. Distribution of Special Tax

Special Taxes that CFD No. 90-1 may levy are limited by the RMA. A summary of the FY 2013/14 Annual Special Tax rates, the number of Units, Acreage, Assessable Space and aggregate levy amount for each Tax Rate Category is listed in the following table.

TAX RATE CATEGORY	PARCEL COUNT	ACREAGE	ASSESSABLE SPACE	ANNUAL SPECIAL TAX	LEVY AMOUNT¹
Developed Property	7,413	7,536.23	17,045,007	\$0.3469 per Square Foot	\$5,912,880.84
Undeveloped Property	340	180.10	N/A	\$0.00 per Acre	0.00
Tax Exempt Property	81	240.89	N/A	N/A	0.00
TOTAL	7,834	7,957.22	N/A	N/A	\$5,912,880.84

¹The Bond Requirement detail in Section I-A may not equal the Levy Amount above due to rounding.

C. Estimated Administrative Expenses

Each year a portion of the Special Tax levy goes to pay the ongoing costs of administration. The estimated FY 2013/14 administrative expenses are shown below followed by a description of each line item.

ADMINISTRATIVE EXPENSES	FY 2013/14 AMOUNT
District Staff Expenses	\$10,000.00
Outside Fees and Expenses	11,600.00
County Tax Collection Fees	1,903.00
Other Expenses	200.00
TOTAL	\$23,703.00

District Staff Expenses – Includes staff time spent on the administration of CFD No. 90-1, its accounts and obligations as well as expenses related to CFD No. 90-1 including postage, supplies, copying, telephone, and technology costs.

Outside Fees and Expenses – Includes the District’s estimated costs to hire consultants related to the administration of CFD No. 90-1. Consultants used include attorneys, fiscal agents and the special tax administrator. These consultants calculate the Annual Special Tax Rates, monitor the special taxes collected by CFD No. 90-1 provide for compliance with State and Federal laws and reporting requirements.

County Tax Collection Fees – Refers to the processing fee charge by the County of Riverside (“County”) for placing the Special Taxes on the County Property Tax roll.

SECTION II. SUMMARY OF DELINQUENT SPECIAL TAXES

CFD No. 90-1 levied a total of \$5,752,922 in Special Taxes in FY 2012/13. As of September 5, 2013, 143 parcels were delinquent in their FY 2012/13 Annual Special Tax obligation in the total amount of \$71,246.34 which translates to an aggregate delinquency rate of 1.24%.

Delinquent Special Taxes as of September 5, 2013 for FY 2012/13 and prior Fiscal Years are summarized in the table below:

FISCAL YEAR	NO. OF PARCELS LEVIED	NO. OF PARCELS DELINQUENT	TOTAL ANNUAL LEVY	ANNUAL DELINQUENT AMOUNT	PERCENT OF ANNUAL DELINQUENT
2007/08	4,880	1	\$3,194,361	\$519.70	0.02%
2008/09	6,453	14	\$4,501,212	\$6,655.36	0.15%
2009/10	6,667	35	\$4,826,664	\$15,329.98	0.32%
2010/11	7,217	65	\$5,429,673	\$34,561.53	0.64%
2011/12	7,299	64	\$5,597,865	\$37,800.87	0.68%
2012/13	7,353	143	\$5,752,922	\$71,246.34	1.24%

Source: Los Angeles County Auditor-Controller's Office

The District has covenanted for the benefit of the bondholders to initiate judicial foreclosure proceedings on Assessor's parcels delinquent in the payment of their Special Tax obligation if as of October 31 of each year the total Special Tax delinquency in CFD No. 90-1 is five percent (5.0%) or more of the total Special Tax levied in the prior FY or if any single property owner is delinquent in excess of twenty five thousand dollars (\$25,000) (the "Covenant of Judicial Foreclosure" is further described in Section IV.E of this Report). As of September 5, 2013, one hundred forty-three (143) parcels are delinquent in their payment of Special Taxes in the aggregate amount of \$71,246.34. Since the total delinquent amount is 1.24% of the total annual levy and under the 5% threshold, the District is not required to take any further action against such parcels. In addition, no property owner is delinquent in their Special Tax obligation in an amount in excess of \$25,000.

SECTION III. BACKGROUND OF CFD NO. 90-1

A. Summary Table of Information

The following table shows information related to the formation of CFD No. 90-1:

CFD FORMATION	
Date of Resolution of Formation	October 16,1990
Authorized Debt Amount	\$300,000,000
County Fund Number	593.51

B. CFD No. 90-1 Background

The Mello-Roos Community Facilities Act (“Act”) of 1982 came about as a response to the lack of adequate financing for public capital facilities and services in the post-Proposition 13 eras. State Legislatures Mello and Roos sponsored this Bill, which was enacted into law by the California Legislature and is now Sections 53311 *et seq.* of the California Government Code. The Act authorizes a local government agency, such as a school district to form a Community Facilities District (“CFD”) within a defined set of boundaries for the purposes of providing public facilities and services. A CFD is formed for financing purposes only and is governed by the agency that formed it.

The District formed CFD No. 90-1 to finance the acquisition, construction and/or leasing of certain school and school facilities, relocatable facilities, administrative facilities and joint use facilities.

Pursuant to an election conducted pursuant to the Act, the registered voters eligible to vote approved the levy of special taxes and the incurrence of bonded indebtedness in an amount not to exceed \$300,000,000.

C. Boundaries

CFD No. 90-1 lies completely within but is not coterminous with the District boundaries. When first formed, CFD No. 90-1 consisted of approximately 2,397 acres zoned for residential use. As new residential development has occurred within the District, additional parcels have been annexed into CFD No. 90-1.

D. Annexations

The annexations that have occurred as of the date of this Report are detailed in the table below.

ANNEXATION	DATE OF RECORDATION	TOTAL ACRES ANNEXED
1	5/21/1991	8.44
2	9/10/1991	359.9
2 (Supplemental)	1/15/1992	5
3	10/16/1991	186.83
4	6/8/1992	84.27
5	1/15/1993	109.31
6	5/26/1993	15.64
7	9/10/1993	29.7
8	8/17/1994	17.85
9	11/16/1994	40.1
10	7/10/1997	12.09
11	11/01-12/01	71.16
12	11/2002	55.97
13	6/10/2004	n/a
14	3/18/2005	n/a
15	3/18/2005	n/a
16	3/18/2005	n/a
18	11/05-2/06	n/a
19	5/22/2006	25.33
20	6/12/2006	56.76
21	6/12/2006	26.97
22	9/5/2006	n/a
23	5/15/2007	14.66
24	5/15/2007	60.07
25	5/15/2007	31.49
26	5/15/2007	98.16
27	6/8/2007	18.88
28	8/1/2008	43.88

SECTION IV. THE BONDS

A. Summary Table of Information

The following table shows information related to the issuance of the 1999 Bonds, the 2011 Bonds and the 2012 Bonds.

BOND ISSUES	
Special Tax Bonds, Series 1999	
Date of Bond Issue (Dated Date)	December 9, 1999
Final Maturity	August 1, 2039
Amount of Original Bond Issue	\$24,952,151
Interest Rate Range	3.70% - 6.20%
Bonds Subject to Arbitrage	Yes
Special Tax Bonds, Series 2011A & Series 2011B	
Date of Bond Issues (Dated Date)	July 13 ,2011
Final Maturity	June 1, 2027
Amount of Original Bond Issue(s)	Series 2011A \$13,810,000/ Series 2011B \$2,280,000
Interest Rate Range	5.698%-8.115%
Bonds Subject to Arbitrage	Yes
Special Tax Bonds, Series 2012A & Series 2012B	
Date of Bond Issues (Dated Date)	September 27 ,2012
Final Maturity	August 1, 2039
Amount of Original Bond Issue(s)	Series 2012A \$10,116,622.15/ Series 2012B \$5,815,000
Interest Rate Range	2.000%-6.390%
Bonds Subject to Arbitrage	Yes

B. 1999 Bonds

The Special Tax Bonds, Series 1999 (“1999 Bonds”) were issued on December 9, 1999 in the total amount of \$24,952,151. The 1999 Bonds were issued to finance or refinance the acquisition, construction and/or leasing of school facilities and to refund existing Special Tax Bonds (the Series 1995 and the Series 1997 Bonds). The 1999 Bonds consist of Current Interest Bonds and Capital Appreciation Bonds. Certain maturities of the 1999 Bonds were refunded by the Series 2012B Refunding Bonds on September 27, 2012 (see Section IV.D below).

C. 2011 Bonds

The Special Tax Bonds, Series 2011A (“2011A Bonds”) and the Special Tax Bonds, Series 2011B (“2011B Bonds”) (collectively the “2011 Bonds”) were issued on July 13, 2011 in the aggregate amount of \$16,090,000. The 2011A Bonds were issued as Taxable Direct Pay Qualified School Construction Bonds in the total amount of \$13,810,000 and the 2011B

Bonds were issued as Taxable Non-Subsidy Bonds in the total amount of \$2,280,000. The Bonds were issued to finance the acquisition, leasing and construction of school facilities.

D. 2012 Bonds

The Special Tax Bonds, Series 2012A (“2012A Bonds”) and the Special Tax Bonds, Series 2012B (“2012B Bonds”) (collectively the “2012 Bonds”) were issued on September 27, 2012 in the aggregate amount of \$15,931,622.15. The 2012A Bonds were issued as a combination of Current Interest Bonds, Capital Appreciation Bonds, and Convertible Capital Appreciation Bonds in the total amount of \$10,116,622.15. Proceeds of the 2012A Bonds will be used primarily to acquire lease and/or construct school facilities and equipment. The 2012B Bonds were issued as Current Interest Bonds in the total amount of \$5,815,000. Proceeds of the 2012B Bonds will be used primarily to refund a portion of the 1999 Bonds.

E. Covenant for Judicial Foreclosure

The District has covenanted to the bondholders that the District will commence or cause to be commenced, judicial foreclosure proceedings by October 31 of each fiscal year against (i) all property owned by any single person or any property regardless of ownership with delinquent Special Taxes in excess of \$25,000, and (ii) all property with delinquent Special Taxes if in the immediately preceding fiscal year, it received Special Taxes in an amount which (together with amounts on deposit in the Special Tax Fund and/or Bond Fund) were 95% or less than the Annual Debt Service for the current Bond Year or the amount in the Reserve Fund is less than the Reserve Requirement.

Koppel & Gruber Public Finance (“K&G Public Finance”) will examine the records of the County by October 31 of each Fiscal Year to determine the amount of delinquencies and will assist in pursuing each delinquency.

ATTACHMENT 1

DEBT SERVICE SCHEDULE

The following is the debt service schedule for the 1999 Bonds.

YEAR ENDING (AUGUST 1)	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE
2000	\$410,000	\$851,768	\$1,261,768
2001	\$15,000	\$1,262,483	\$1,277,483
2002	\$45,000	\$1,261,913	\$1,306,913
2003	\$70,000	\$1,260,113	\$1,330,113
2004	\$100,000	\$1,257,243	\$1,357,243
2005	\$130,000	\$1,252,993	\$1,382,993
2006	\$165,000	\$1,247,338	\$1,412,338
2007	\$200,000	\$1,239,995	\$1,439,995
2008	\$240,000	\$1,230,895	\$1,470,895
2009	\$280,000	\$1,219,735	\$1,499,735
2010	\$325,000	\$1,206,435	\$1,531,435
2011	\$370,000	\$1,190,510	\$1,560,510
2012	\$420,000	\$1,172,010	\$1,592,010
2013	\$350,000	\$643,329	\$993,329
2014	\$400,000	\$827,565	\$1,227,565
2015	\$450,000	\$804,053	\$1,254,053
2016	\$500,000	\$777,690	\$1,277,690
2017	\$555,000	\$748,335	\$1,303,335
2018	\$610,000	\$715,988	\$1,325,988
2019	\$670,000	\$680,195	\$1,350,195
2020	\$735,000	\$640,465	\$1,375,465
2021	\$805,000	\$596,820	\$1,401,820
2022	\$890,000	\$548,825	\$1,438,825
2023	\$970,000	\$496,045	\$1,466,045
2024	\$1,055,000	\$438,625	\$1,493,625
2025	\$1,150,000	\$375,985	\$1,525,985
2026	\$1,240,000	\$307,980	\$1,547,980
2027	\$1,345,000	\$234,610	\$1,579,610
2028	\$1,460,000	\$154,860	\$1,614,860
2029	\$1,575,000	\$68,585	\$1,643,585
2030	\$276,231	\$1,998,770	\$2,275,000
2031	\$262,972	\$2,057,028	\$2,320,000

YEAR ENDING (AUGUST 1)	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE
2032	\$250,241	\$2,114,759	\$2,365,000
2033	\$238,554	\$2,176,446	\$2,415,000
2034	\$226,837	\$2,233,163	\$2,460,000
2035	\$216,061	\$2,293,939	\$2,510,000
2036	\$205,696	\$2,354,304	\$2,560,000
2037	\$196,151	\$2,418,849	\$2,615,000
2038	\$186,603	\$2,478,397	\$2,665,000
2039	\$177,806	\$2,542,194	\$2,720,000
TOTAL	\$19,767,152	\$46,735,873	\$67,778,614

ATTACHMENT 1 (CONTINUED)

The following is the debt service schedule for the 2011A Bonds.

YEAR ENDING (AUGUST 1)	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE
2012	\$0	\$1,156,871	\$1,156,871
2013	\$0	\$1,101,782	\$1,101,782
2014	\$0	\$1,101,782	\$1,101,782
2015	\$0	\$1,101,782	\$1,101,782
2016	\$190,000	\$1,101,782	\$1,291,782
2017	\$400,000	\$1,088,263	\$1,488,263
2018	\$390,000	\$1,059,803	\$1,449,803
2019	\$345,000	\$1,032,055	\$1,377,055
2020	\$305,000	\$1,007,508	\$1,312,508
2021	\$260,000	\$985,807	\$1,245,807
2022	\$1,800,000	\$967,308	\$2,767,308
2023	\$1,690,000	\$821,238	\$2,511,238
2024	\$1,445,000	\$684,095	\$2,129,095
2025	\$2,250,000	\$566,833	\$2,816,833
2026	\$2,290,000	\$384,245	\$2,674,245
2027	\$2,445,000	\$165,343	\$2,610,343
TOTAL	\$13,810,000	\$14,326,493	\$28,136,493

ATTACHMENT 1 (CONTINUED)

The following is the debt service schedule for the 2011B Bonds.

YEAR ENDING (AUGUST 1)	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE
2012	\$420,000	\$136,410	\$556,410
2013	\$700,000	\$105,983	\$805,983
2014	\$465,000	\$66,097	\$531,097
2015	\$450,000	\$39,601	\$489,601
2016	\$245,000	\$13,960	\$258,960
2017	\$0	\$0	\$0
2018	\$0	\$0	\$0
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
2023	\$0	\$0	\$0
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$0	\$0	\$0
TOTAL	\$2,280,000	\$362,051	\$2,642,051

ATTACHMENT 1 (CONTINUED)

The following is the debt service schedule for the 2012A Bonds.

YEAR ENDING (AUGUST 1)	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE
2013	\$240,000	\$1,963	\$241,963
2014	\$0	\$2,850	\$2,850
2015	\$45,000	\$900	\$45,900
2016	\$0	\$0	\$0
2017	\$0	\$0	\$0
2018	\$0	\$0	\$0
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
2023	\$0	\$0	\$0
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$116,306	\$123,694	\$240,000
2027	\$0	\$346,500	\$346,500
2028	\$0	\$346,500	\$346,500
2029	\$1,031,984	\$1,901,516	\$2,933,500
2030	\$947,572	\$1,938,928	\$2,886,500
2031	\$873,325	\$1,968,175	\$2,841,500
2032	\$802,694	\$1,993,807	\$2,796,500
2033	\$959,997	\$1,791,503	\$2,751,500
2034	\$1,189,220	\$1,513,655	\$2,702,875
2035	\$1,233,356	\$1,423,113	\$2,656,469
2036	\$641,403	\$1,963,597	\$2,605,000
2037	\$582,157	\$1,972,843	\$2,555,000
2038	\$527,700	\$1,972,300	\$2,500,000
2039	\$483,336	\$1,966,664	\$2,450,000
TOTAL	\$10,016,622	\$23,180,935	\$33,195,557

ATTACHMENT 1 (CONTINUED)

The following is the debt service schedule for the 2012B Bonds.

YEAR ENDING (AUGUST 1)	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE
2013	\$0	\$71,711	\$71,711
2014	\$0	\$104,097	\$104,097
2015	\$170,000	\$208,194	\$378,194
2016	\$225,000	\$203,094	\$428,094
2017	\$245,000	\$196,344	\$441,344
2018	\$260,000	\$188,994	\$448,994
2019	\$280,000	\$181,194	\$461,194
2020	\$305,000	\$172,794	\$477,794
2021	\$325,000	\$160,594	\$485,594
2022	\$345,000	\$147,594	\$492,594
2023	\$365,000	\$136,381	\$501,381
2024	\$390,000	\$124,063	\$514,063
2025	\$410,000	\$110,413	\$520,413
2026	\$435,000	\$95,550	\$530,550
2027	\$470,000	\$79,238	\$549,238
2028	\$500,000	\$61,613	\$561,613
2029	\$530,000	\$42,238	\$572,238
TOTAL	\$5,815,000	\$2,305,802	\$8,120,802

ATTACHMENT 2
RATE AND METHOD OF APPORTIONMENT
FOR CFD No. 90-1

EXHIBIT A

PALMDALE ELEMENTARY SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 90-1

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax, determined as shown below, shall be levied each year by the Governing Board of the Palmdale Elementary School District (the "District") within the boundaries of Community Facilities District 90-1 (the "CFD"):

1. Definitions. The following definitions shall apply:
 - (a) "Administrative Expenses" means the costs incurred by the District for the costs associated with the creation of the CFD, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the CFD.
 - (b) "Annual Special Tax" has the meaning given to that term in Section 3.
 - (c) "Assessable Space" means all of the square footage within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, detached accessory structure, or similar area as determined by the public agency issuing the building permit.
 - (d) "Assessor's Parcel" means a parcel of land designated on a map of the Los Angeles County Assessor and which parcel has been assigned a discrete identifying number.
 - (e) "Board" means the Board of the Palmdale Elementary School District.
 - (f) "Bond Requirements" means the amount necessary taking into consideration anticipated delinquencies (i) to pay principal of and interest on the bonds at that time outstanding in the CFD, (ii) to make any deposits required to be made with respect to any reserve fund created with respect to such bonds, and (iii) to pay for Administrative Expenses.
 - (g) "Developed Property" means any Assessor's Parcels in the CFD which are zoned for residential use and for which a building permit for a residential dwelling unit(s) has been issued by June 15th of the prior Fiscal Year; provided, however, that Developed Property shall not

include an Assessor's Parcel for which a Prepayment Tax has been levied and collected pursuant to Section 4 hereof.

(h) "Fiscal Year" means the period starting July 1 and ending the following June 30.

(i) "Ordinance" means the Ordinance adopted by the Board, as the legislative body of the CFD, pursuant to California Government Code Section 53340 to levy the Special Tax.

(j) "Prepayment Tax" has the meaning given to that term in Section 4.

(k) "School Facilities" shall be those school facilities (including land) and other facilities which the CFD is authorized to acquire, lease and/or construct.

(l) "Special Tax" means the maximum special tax that may be levied on any Developed Property or, on Undeveloped Property for any Fiscal Year. Special Taxes include, collectively, Annual Special Taxes and Prepayment Taxes.

(m) "Tax-Exempt Property" means any property within the CFD which is not Developed or Undeveloped Property, and includes property owned or operated by a public agency.

(n) "Undeveloped Property" means any Assessor's Parcel in the CFD which is Zoned for residential use and for which no building permit has been issued by June 15th of the previous Fiscal Year.

(o) "Undeveloped Property Tax" has the meaning given to that term in Section 5.

(p) "Zoned" means any lot or parcel of land used, zoned, allowed or designated for a residential purpose on the applicable General Plan, Specific Plan or Community Plan which the City of Palmdale or the County of Los Angeles utilizes and relies upon for planning purposes and for the approval of development.

2. Classification of Property. At the beginning of each Fiscal Year or at such other time as the Board deems desirable, beginning in 1990 the District shall cause each Assessor's Parcel in the CFD to be classified as one of the following: Developed Property, Undeveloped Property or Tax-Exempt Property.

3. Developed Property: Annual Special Tax. A Special Tax may be levied pursuant to this Section on Developed Property to the extent necessary to pay the Bond Requirements and to provide for the cost of constructing, leasing and/or acquiring the School Facilities.

All Developed Property shall be subject to a maximum Special Tax (the "Annual Special Tax") in each Fiscal Year equal to \$0.22 per square foot of Assessable Space; provided, however, that the Annual Special Tax rate of \$0.22 per square foot of Assessable Space shall be increased in each Fiscal Year after the Fiscal Year ending on June 30, 1991 by an amount equal to 2% of the maximum Annual Special Tax rate for the prior Fiscal Year.

4. Alternative Prepayment Tax. In lieu of paying an Annual Special Tax on Developed Property, the owner of any Assessor's Parcel of Undeveloped Property may elect to prepay the Annual Special Tax (the "Prepayment Tax") (i) with respect to any Assessor's Parcel for which a building permit has been issued prior to the adoption of the Ordinance, within 30 days after the adoption of the Ordinance, and (ii) with respect to any Assessor's Parcel for which a building permit has not been issued prior to the adoption of the Ordinance, at or prior to the time of issuance of a building permit with respect to such Assessor's Parcel. The maximum Prepayment Tax rate which may be levied in each Fiscal Year is \$2.25 per square foot of Assessable Space; provided, however, that the maximum Prepayment Tax rate shall be increased in each Fiscal Year after the Fiscal Year ending on June 30, 1991 by an amount equal to 2% of the maximum Prepayment Tax rate for the prior Fiscal Year. Upon payment and satisfaction of any Prepayment Tax, the Assessor's Parcel with respect to which such Prepayment Tax has been levied and collected shall be characterized as Tax Exempt Property and shall not be subject to an Annual Special Tax. Prepayment Taxes levied and collected pursuant to this Section 4 may be used to pay the Bond Requirements and to provide for the cost of financing, constructing, leasing and/or acquiring the School Facilities.

5. Undeveloped Property Tax. A Special Tax may be levied pursuant to this section on Undeveloped Property (the "Undeveloped Property Tax") to the extent necessary to pay the Bond Requirements subject to the limitations set forth below.

In the event that on July 1 of any Fiscal Year, the maximum projected revenues that can be generated from the levy of the Special Tax for such Fiscal Year on all Developed Property together with all other funds of the CFD legally available to pay the Bond Requirements, shall be insufficient to pay the Bond Requirements for such Fiscal Year due to anticipated delinquencies in the payment of Special Taxes, then all Undeveloped Property shall be subject to a Special Tax, for such Fiscal Year only, up to an amount not to exceed, per acre of Undeveloped Property (or a proportionate amount thereof for any portion of such acre), the lesser of (i) \$750 or (ii) the aggregate amount of the actual delinquencies in the payment of Special Taxes for the prior Fiscal Year, divided by the total number of acres of Undeveloped Property in the District.

6. Calculation of the Special Tax on Developed Property and Undeveloped Property.

At the beginning of each Fiscal Year, beginning in 1991, the Board, as the governing body of the CFD, shall cause the Special Tax to be calculated and levied as follows:

First: For each parcel of Developed Property, the Board shall compute the amount of the Assessable Space and multiply that amount by the Annual Special Tax rate in effect for such Fiscal Year pursuant to Section 3 hereof.

Second: If additional monies are needed to pay the Bond Requirements after the maximum Annual Special Tax rate has been levied on all Developed Property pursuant to the first step, the CFD shall apply all legally available monies of the CFD to the payment of the Bond Requirements.

Third: If additional monies are needed to pay the Bond Requirements after the first two steps have been completed, then the CFD shall levy an Undeveloped Special Tax on each parcel of Undeveloped Property in an amount sufficient to pay the Bonds Requirements up to the maximum amount specified in Section 5.

Fourth: In addition, for all Undeveloped Property, the Board shall declare the Prepayment Tax rate in effect for such Fiscal Year at which time an owner can elect to prepay the Annual Special Tax.

7. Limitations. The Board shall not impose any Special Tax on any Tax-Exempt Property.

8. Appeals and Interpretation Procedure. Any taxpayer subject to the Special Tax claiming that the amount or application of the Special Tax has not been properly computed may file a notice with the District appealing the levy of the Special Tax. The Superintendent or designee will promptly review the appeal and, if necessary, meet with the applicant and decide the appeal. If the findings of the Superintendent or designee verify that the tax should be modified or changed, the special tax levy shall be corrected and, if applicable, a refund shall be granted. Any dispute over the decision of the Superintendent or designee shall be referred to the Board and the decision of the Board with respect to the Special Tax shall be final.

Interpretation may be made by Resolution of the Board for purposes of clarifying any vagueness or uncertainty as it relates to the application of the special tax rate, or application of the method of apportionment, or the classification of properties or any definition applicable to the CFD.

9. Claims for Refund. All claims for refund of Special Taxes collected on behalf of the CFD shall be filed with the Superintendent of the District not later than one year after the date the Special Tax has been paid to the County. The claimant shall file the claim within this time period and the claim shall be finally acted upon by the Board as a prerequisite to the claimant bringing suit thereon.

The procedure described in this Rate and Method of Apportionment of Special Tax shall be the exclusive claims procedure for claimants seeking a refund of Special Taxes. The decision of the Board in response to a claim for refund of Special Taxes shall be final.

10. Collection of Special Tax. The Annual Special Tax shall be collected each year upon the applicable Assessor's Parcels in the CFD in the same manner as ordinary ad valorem property taxes are collected and the Prepayment Tax shall be collected by the Board at the time of issuance of a building permit; provided, however, that the CFD may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations. All Special Taxes shall be subject to the same penalties and lien priorities in the case of delinquency as is provided for ad valorem taxes. The District shall cause the actions required above to be done for each Fiscal Year in a timely manner to assure that the schedule of the Special Taxes to be collected are received by the Auditor of the County of Los Angeles for inclusion with billings for such ad valorem taxes for the applicable Fiscal Year. The Special Tax shall be levied and collected only so long as it is needed to pay the Bond Requirements or to pay to construct lease and/or acquire the facilities of the CFD. In the event of a delinquency, the CFD will pursue foreclosure in a timely manner.

ATTACHMENT 3
FY 2013/14 SPECIAL TAX ROLL

A list of the parcels and CFD No. 90-1 Special Taxes submitted to the County for FY 2013/14 is provided in an electronic format saved on Compact Disc (CD).