NEW ISSUE **NOT RATED**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "LEGAL MATTERS - Tax Matters."

$925,000
COMMUNITY FACILITIES DISTRICT NO. 2005-2
OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT
SPECIAL TAX BONDS (INFRASTRUCTURE PROJECTS), SERIES 2013

Dated: Date of Delivery **Due: September 1, as shown on inside cover.**

Authority for Issuance. The bonds captioned above (the "Bonds") are being issued under the Mello-Roos Community Facilities Act of 1982 (the "Act") and an Indenture, dated as of September 1, 2013, between the Community Facilities District No. 2005-2 of the San Jacinto Unified School District (the "Community Facilities District") and Zions First National Bank, as trustee (the "Trustee"). The Board of Trustees (the "Board") of the San Jacinto Unified School District (the "School District"), acting as legislative body of the Community Facilities District, and the eligible landowner voters in the Community Facilities District, have authorized the issuance of bonds in an aggregate principal amount not to exceed $14,800,000. See "THE BONDS – Authority for Issuance."

Security and Sources of Payment. The Bonds are payable from proceeds of Net Special Tax Revenues (as defined herein) levied on property within the Community Facilities District according to the rate and method of apportionment of special tax (the "Rate and Method") approved by the Board and the eligible landowner voters in the Community Facilities District. The Bonds are secured by a first pledge of all Net Special Tax Revenues and the moneys deposited in certain funds held by the Trustee under the Indenture. See "SECURITY FOR THE BONDS."

Issuance of Future Bonds. The Bonds are the first series of bonds to be issued under the $14,800,000 combined bond authorization for the Community Facilities District. The Indenture provides for the issuance of additional bonds secured by Net Special Tax Revenues on a parity with the Bonds. The Community Facilities District anticipates that it will issue a subsequent series of bonds as homes are developed and sold in the future. Additionally, the Community Facilities District anticipates issuing bonds secured by a separate special tax under the Rate and Method, which will constitute a separate lien on the property within the Community Facilities District with the same priority as the lien of the Special Taxes securing the Bonds. See "FINANCING PLAN" and "THE BONDS – Additional Bonds Test."

Use of Proceeds. The Bonds are being issued to (i) finance sewers, storm drains, water reservoir and distribution facilities to be owned and operated by the Eastern Municipal Water District, which may include such facilities that are included in Eastern Municipal Water District's sewer and water capacity and connection fee programs with respect to the property in the Community Facilities District, (ii) fund a reserve fund for the Bonds, and (iii) pay the costs of issuing the Bonds. See "FINANCING PLAN - Estimated Sources and Uses."

Bond Terms. Interest on the Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2014. The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. The Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. See "THE BONDS – General Bond Terms" and "APPENDIX E – DTC and the Book-Entry Only System."

Redemption. *The Bonds are subject to optional redemption, mandatory redemption from Special Tax prepayments and mandatory sinking fund redemption before maturity. See "THE BONDS - Redemption."*

THE BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF ANY OF THE BONDS, ARE NOT AN INDEBTEDNESS OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED IN THIS OFFICIAL STATEMENT), THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SCHOOL DISTRICT, THE COMMUNITY FACILITIES DISTRICT (EXCEPT TO THE LIMITED EXTENT DESCRIBED IN THIS OFFICIAL STATEMENT) OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. OTHER THAN THE NET SPECIAL TAX REVENUES, NO TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT, BUT ARE SPECIAL OBLIGATIONS OF THE COMMUNITY FACILITIES DISTRICT PAYABLE SOLELY FROM THE NET SPECIAL TAX REVENUES AS MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT.

MATURITY SCHEDULE
(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the Bonds involves risks which may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by *Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Community Facilities District*, and subject to certain other conditions. Certain legal matters will be passed upon for the Community Facilities District by Jones Hall, A Professional Law Corporation, San Francisco, California, as disclosure counsel. Nossaman LLP, Irvine, California, is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery on or about September 26, 2013.

STIFEL

The date of this Official Statement is: September 12, 2013.

MATURITY SCHEDULE

$275,000 Serial Bonds
(Base CUSIP†: 797867)

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2019	$5,000	3.750%	3.750%	100.000	FD5
2020	5,000	4.000	4.100	99.399	FE3
2021	5,000	4.250	4.450	98.673	FF0
2022	10,000	4.500	4.700	98.551	FG8
2023	10,000	4.750	4.800	99.605	FH6
2024	10,000	4.875	4.900	99.786	FJ2
2025	15,000	5.000	5.000	100.000	FK9
2026	15,000	5.125	5.200	99.296	FL7
2027	20,000	5.250	5.350	99.022	FM5
2028	20,000	5.250	5.400	98.471	FN3
2029	25,000	5.375	5.500	98.680	FP8
2030	30,000	5.500	5.600	98.910	FQ6
2031	30,000	5.500	5.700	97.767	FR4
2032	35,000	5.625	5.750	98.564	FS2
2033	40,000	5.750	5.800	99.408	FT0

$190,000 5.750% Term Bond due September 1, 2037, Yield: 5.900%, Price: 98.084%;
CUSIP† No. 797867 FU7

$460,000 6.000% Term Bond due September 1, 2043, Yield: 6.000%, Price: 100.000%;
CUSIP† No. 797867 FV5

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the School District, the Community Facilities District, any other parties described in this Official Statement, or in the condition of property within the Community Facilities District since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COMMUNITY FACILITIES DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

SAN JACINTO UNIFIED SCHOOL DISTRICT

DISTRICT ADMINISTRATION

Diane Perez, Superintendent
Richard De Nava, Assistant Superintendent, Business Services
Seth Heeren, Director, Fiscal Services

PROFESSIONAL SERVICES

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

FINANCIAL ADVISOR

Fieldman, Rolapp & Associates
Irvine, California

APPRAISER

Harris Realty Appraisal
Newport Beach, California

SPECIAL TAX CONSULTANT

Willdan Financial Services
Temecula, California

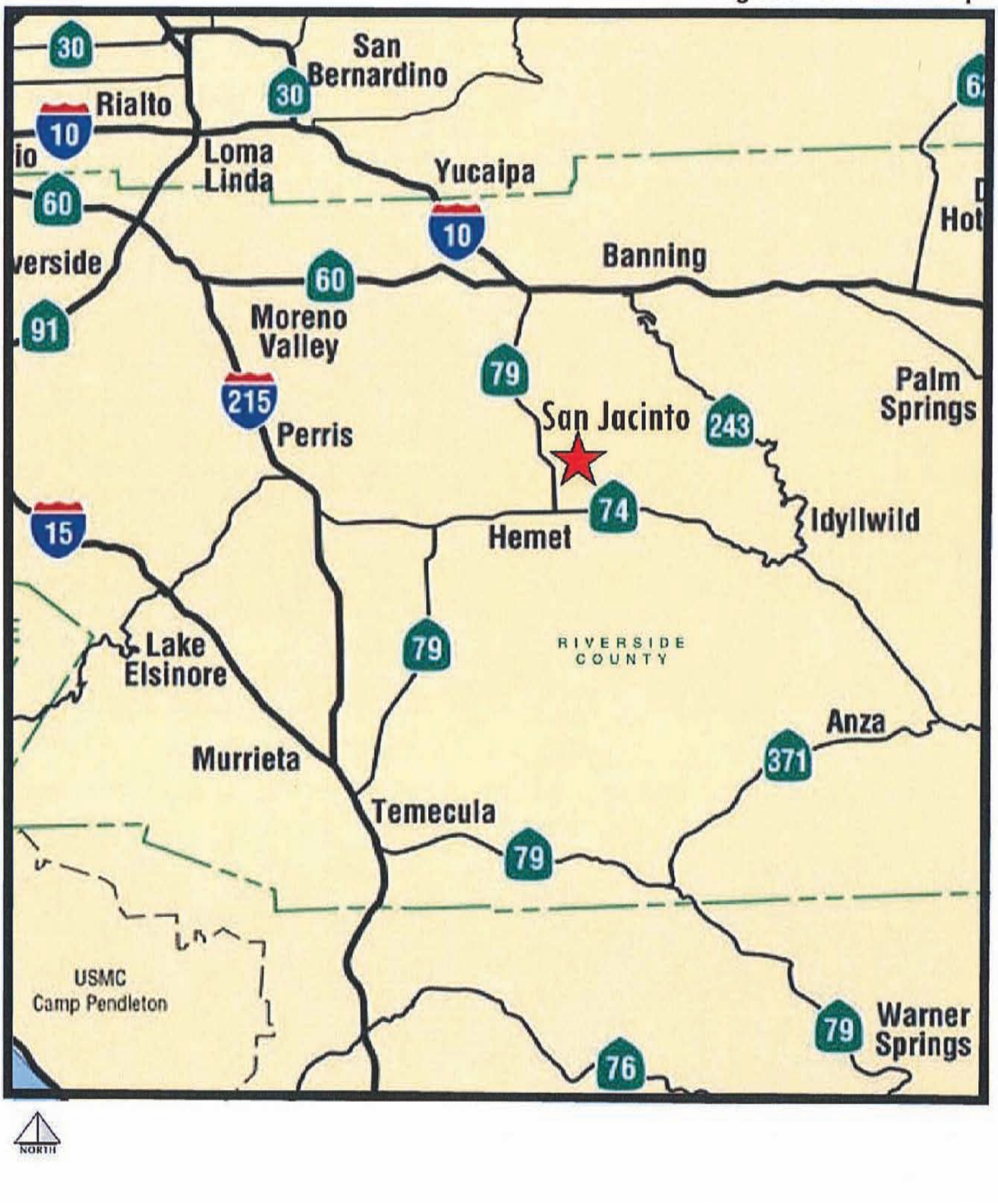
TRUSTEE

Zions First National Bank
Los Angeles, California

SAN JACINTO UNIFIED SCHOOL DISTRICT

DEDICATED TO EDUCATIONAL EXCELLENCE

Regional Location Map




San Jacinto Unified School District
Community Facilities District № 2005-2
Zone 1 & Zone 2
De Anza Dr
Lyon Ave
Zone 2
Ramona Blvd
Zone 1
Potter Dr
Boundaries Approximate
0951_061013

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OFFICIAL STATEMENT

$925,000
COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT SPECIAL TAX BONDS (INFRASTRUCTURE PROJECTS), SERIES 2013

INTRODUCTION

This Official Statement, including the cover page, inside cover and attached appendices, is provided to furnish information regarding the bonds captioned above (the "**Bonds**") to be issued by Community Facilities District No. 2005-2 of the San Jacinto Unified School District (the "**Community Facilities District**").

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside cover and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Capitalized terms used but not defined in this Official Statement have the definitions given in the Indenture (as defined below). See "APPENDIX D - Summary of Certain Provisions of the Indenture - Definitions."

The School District. The San Jacinto Unified School District (the "**School District**") is located in the western portion of Riverside County (the "**County**") and encompasses approximately 100 square miles within the Cities of San Jacinto, Hemet, Moreno Valley and Beaumont, and certain unincorporated areas in the County. The School District was established in 1868. During Fiscal Year 2012-13, the School District had 10,041 students enrolled. For economic and demographic information regarding the area in and around the School District, see "APPENDIX A." The administration headquarters of the School District are located at 2045 South San Jacinto Avenue, San Jacinto, California. For further information on the School District see its Internet home page at www.sanjacinto.k12.ca.us. This internet address is included for reference only and the information on the Internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement.

The Community Facilities District. The Community Facilities District was formed and established by the School District on June 21, 2005, under the Mello-Roos Community Facilities Act of 1982, as amended (the "**Act**"), following a public hearing conducted by the Board of Trustees of the School District (the "**Board**"), as legislative body of the Community Facilities District, and a landowner election at which the qualified electors of the Community Facilities District authorized the Community Facilities District to incur bonded indebtedness and approved the levy of special taxes. The Community Facilities District consists of two zones: Zone 1 and Zone 2.

The Community Facilities District was also formed pursuant to the following agreements:

- An SB 50 Finance Agreement dated as of June 1, 2005, between the School District and A.C. Ramona, a California limited liability company ("**Ramona**"), as amended by a First Amendment to SB 50 Finance Agreement dated as of August 1, 2013, between the District and Cado San Jacinto, LLC, a California limited liability company ("**Cado San Jacinto**"), successor in interest to Ramona, with respect to Zone 1 of the Community Facilities District (collectively, the "**Zone 1 SB 50 Agreement**").

- an SB 50 Finance Agreement dated as of June 1, 2005 between the School District and Young California San Jacinto, LP, a California limited partnership ("**Young**"), as amended by a First Amendment to SB 50 Finance Agreement dated as of August 1, 2013, between the District and 46 Almaden San Jacinto, LLC, a California limited liability company ("**46 Almaden San Jacinto**"), successor in interest to Young, with respect to Zone 2 of the Community Facilities District (collectively, the "**Zone 2 SB 50 Agreement**").

- A Joint Community Facilities Agreement dated as of May 1, 2005 (the "**JCFA**"), between the School District, Eastern Municipal Water District ("**EMWD**"), Ramona and Young.

Cado San Jacinto and 46 Almaden San Jacinto, as a result of acquiring the property previously owned by Young and Ramona, have succeeded to the rights and obligations of Ramona and Young under the JCFA.

See "FINANCING PLAN – Community Facilities District Financing Plan."

Authority for Issuance of the Bonds. The Bonds are issued under the Act, certain resolutions adopted by the Board, including the Resolution adopted on August 20, 2013 (the "**Resolution of Issuance**"), and an Indenture, dated as of September 1, 2013 (the "**Indenture**"), by and between the Community Facilities District and Zions First National Bank, as trustee (the "**Trustee**"). See "THE BONDS – Authority for Issuance."

Purpose of the Bonds. Proceeds of the Bonds will be used primarily to finance sewers, storm drains, water reservoir and distribution facilities to be owned and operated by EMWD, which may include such facilities that are included in EMWD's sewer and water capacity and connection fee programs with respect to the property in the Community Facilities District. See "FINANCING PLAN - Facilities to be Financed with the Bonds."

Bond proceeds will also fund a reserve fund for the Bonds and pay the costs of issuing the Bonds. See "FINANCING PLAN – Estimated Sources and Uses of Funds."

Redemption of Bonds Before Maturity. The Bonds are subject to optional redemption, mandatory redemption from Special Tax prepayments and mandatory sinking fund redemption before maturity. See "THE BONDS – Redemption."

Security and Sources of Payment for the Bonds. The Bonds will be secured by and payable from a first pledge of the net proceeds of the "**Annual Special Tax A**" (as defined herein) levied on the property in the Community Facilities District (the "**Net Special Tax Revenues**") in accordance with the First Amended Rate and Method of Apportionment for Community Facilities District No. 2005-2 of San Jacinto Unified School District (the "**Rate and Method**"). The Bonds will be additionally secured by all moneys deposited in the Special Tax Fund, the Bond Fund and the Reserve Fund. The pledge of Net Special Tax Revenues and the moneys deposited in these funds is subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein. See "FINANCING PLAN – Community Facilities District Financing Plan" and "SECURITY FOR

THE BONDS" for a more detailed description of Annual Special Tax A and the Net Special Tax Revenues, and for a further description of the security for the Bonds.

The Bonds have been sized to be secured by and payable from the Net Special Tax Revenues to be derived from the 88 completed single-family homes owned by individual homeowners, however the Bonds are secured by all 351 parcels in the Community Facilities District.

The Community Facilities District has covenanted in the Indenture to cause foreclosure proceedings to be commenced and prosecuted against certain parcels with delinquent installments of the Special Taxes. For a more detailed description of the foreclosure covenant see "SECURITY FOR THE BONDS – Covenant to Foreclose."

Property Ownership. The Community Facilities District is located in the western portion of the County, in the northwestern portion of the City of San Jacinto. The property consists of two non-contiguous development projects designated as Zone 1 and Zone 2. All of the taxable property in the Community Facilities District is entitled for development as 351 single-family detached homes. The current owners of the taxable property within the Community Facilities District (the "**Property Owners**") are:

- individual property owners, as to 88 completed single-family homes,
- 888 Jacinto LLC, a California limited liability company ("**888 Jacinto**") as to 12 completed but vacant single-family homes and 46 physically finished lots,
- 46 Almaden San Jacinto, as to 46 physically finished lots, and
- Cado San Jacinto, as to 159 physically finished lots, and

888 Jacinto, 46 Almaden San Jacinto and Cado San Jacinto are collectively referred to herein as the "**Developers**."

The Bonds have been sized to be secured by and payable from the Net Special Tax Revenues to be derived from the 88 completed single-family homes owned by individual homeowners. However, the Bonds are secured by all 351 parcels in the Community Facilities District and currently 120 parcels are expected to be taxed as Developed Property in Fiscal Year 2013-14. The Developers own the remaining 263 parcels in the Community Facilities District, which are in various states of development as described above. See "THE COMMUNITY FACILITIES DISTRICT – Appraised Property Value" and "APPENDIX C – Summary Appraisal Report."

For detailed information about the Property Owners, current development status and proposed development plans for the property in the Community Facilities District, see "THE COMMUNITY FACILITIES DISTRICT - Property Development Status of the Community Facilities District."

The Appraisal. An appraisal of the property within the Community Facilities District dated June 17, 2013, as updated by a supplemental report dated September 5, 2013 (the "**Appraisal**"), was prepared by Harris Realty Appraisal, Newport Beach, California (the "**Appraiser**") in connection with the issuance of the Bonds. The purpose of the appraisal was to ascertain the minimum market value of the 88 completed and sold dwelling units subject to the Special Tax in the Community Facilities District as well as the fiscal year 2012-13 assessed valuation for the other property in Zones 1 and 2 of the Community Facilities District, as of a June 14, 2013, date of value. The Appraiser estimates that as of the June 14, 2013 date of value, the fee simple interest of the 88 completed and sold homes within the Community Facilities District (subject to the lien of Special Taxes) had a minimum market value of $15,375,000. See “THE COMMUNITY FACILITIES DISTRICT – Appraised Property Value”

Risk Factors Associated with Purchasing the Bonds. Investment in the Bonds involves risks that may not be appropriate for some investors. See “BOND OWNERS' RISKS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the Bonds.

FINANCING PLAN

Community Facilities District Financing Plan

Under the resolutions adopted by the Community Facilities District (see “THE BONDS - Authority for Issuance - Community Facilities District Proceedings”), the Community Facilities District is authorized to finance public facilities (collectively, the “**Facilities**”) consisting of school facilities to be owned and operated by the School District (“**School Facilities**”) and water and sewer facilities to be owned and operated by EMWD (“**Water and Sewer Facilities**” or “**EMWD Facilities**”).

Special Tax A and Special Tax B. The Community Facilities District currently levies two separate special taxes within the Community Facilities District under the Rate and Method: Annual Special Tax A, which is designated for financing Water and Sewer Facilities (and which will serve as security for and the source of payment of debt service on the Bonds), and Annual Special Tax B, which is received by the School District and designated for financing or paying the cost of School Facilities. The Annual Special Tax A and the Annual Special Tax B have equal lien priority. See “SECURITY FOR THE BONDS – Rate and Method,” “THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Governmental Obligations,” and “THE COMMUNITY FACILITIES DISTRICT – Estimated Property Tax Rates and Tax Burden on a Single Family Home.”

Future Special Tax Bonds. The Bonds are the first series of Bonds that will be secured only by Annual Special Tax A under the Indenture, and are the first series of bonds to be issued under the combined $14,800,000 bond authorization for the Community Facilities District. The Community Facilities District expects to issue additional bonds payable from the Annual Special Tax A (the “**Additional Bonds**”), which will constitute a separate lien on the property within the Community Facilities District with the same priority as the lien of the Special Taxes securing the Bonds. The Community Facilities District also expects to issue bonds payable from the Annual Special Tax B under the Rate and Method, which will constitute a separate lien on the property within the Community Facilities District with the same priority as the lien of the Special Taxes securing the Bonds. If issued in the future, the principal amount of the Bonds plus the principal amount of Additional Bonds and bonds payable from the Annual Special Tax B cannot exceed the $14,800,000 combined bond authorization for the Community Facilities District. There is no cross-collateralization between Annual Special Tax A and Annual Special Tax B, and the Bonds are only secured by Annual Special Tax A. Any bonds payable from the Annual Special Tax B under the Rate and Method shall not be considered Additional Bonds and are not subject to the Additional Bonds test described herein. See “THE BONDS – Additional Bonds Test,” “– Bonds Not Secured by Annual Special Tax B” and “BOND OWNERS’ RISKS – Other Possible Claims Upon the Value of Taxable Property.”

Facilities to be Financed with the Bonds

The proceeds of the Bonds will be used solely for the acquisition and construction of Water and Sewer Facilities. Under the JCFA, "Water and Sewer Facilities" may include sewer and water transmission lines, sewer and water pump stations and water reservoirs, and water and sewer facilities included in EMWD's water and sewer capacity and connection fee programs used to finance expansion projects, such as water and sewer transmission pipelines, sewer treatment plants, disposal ponds, pumping plants, lift stations, and water reservoirs. The cost of Water and Sewer Facilities include all costs of site acquisition, planning, design, engineering, legal services, materials testing, coordination, surveying, construction staking, construction, inspection, and any and all appurtenant facilities and work. The costs of the Water and Sewer Facilities are attributable to the proposed development of the property in the Community Facilities District and will be used to construct facilities needed to provide water and sewer services to the property in the Community Facilities District. The Water and Sewer Facilities will be owned and operated by EMWD.

The proceeds of the Bonds are anticipated to provide approximately $530,000 for Water and Sewer Facilities, which is anticipated to represent a portion of the Developers' obligation to pay Water and Sewer Facilities costs. The Developers will remain responsible to pay any Water and Sewer Facilities costs not funded with the proceeds of the Bonds or any Additional Bonds.

SB 50 Agreement

General. Each of the Zone 1 SB 50 Agreement and the Zone 2 SB 5 Agreement establishes a means for financing a Developer's impact fee obligations under Sections 65995 et seq. of the California Education Code and Sections 17620 et seq. of the California Education Code (collectively, "**SB 50**"), and the Developer's obligation to pay the costs of Water and Sewer Facilities. Upon the issuance of the Bonds, School fees totaling approximately $560,000 and currently held by the School District pursuant to SB 50 are expected to be released to Cado San Jacinto and 46 Almaden San Jacinto, as the Developers of the 88 homes which have been sold to individual homeowners. Additional school fees may be reimbursed to the Developers upon the issuance of Additional Bonds or when the Community Facilities District and the developers determine that no Additional Bonds will be issued.

Eastern Municipal Water District JCFA

The JCFA sets forth conditions and procedures for the payment of the Water and Sewer Facilities costs with a portion of the proceeds of the Bonds, and for the disbursement of a portion of the proceeds of the Bonds for this purpose. The JCFA provides that the Developers will remain obligated to pay any Water and Sewer Facilities costs not paid with the proceeds of the Bonds or any Additional Bonds.

The JCFA provides that EMWD may require the Developers to design, construct and dedicate to EMWD certain water and sewer facilities as a condition to providing water and sewer service to the property in the Community Facilities District, and sets forth procedures and requirements for the construction of such facilities.

Estimated Sources and Uses of Funds

The estimated proceeds from the sale of the Bonds will be deposited into the following funds established under the Indenture:

SOURCES	
Principal Amount of Bonds	$925,000.00
Less: Original Issue Discount	(6,615.90)
Total Sources	$918,384.10
USES	
Deposit into the Cado Account in the Improvement Fund [1]	$279,281.41
Deposit into the Almaden Account in the Improvement Fund [2]	252,784.52
Deposit into Reserve Fund [3]	90,428.17
Deposit into Costs of Issuance Fund [4]	260,000.00
Underwriter's Discount	35,890.00
Total Uses	$918,384.10

[1] Will be used to acquire and construct EMWD Facilities in Zone 1.
[2] Will be used to acquire and construct EMWD Facilities in Zone 2.
[3] Equal to the Reserve Requirement with respect to the Bonds as of their date of delivery.
[4] Includes, among other things, the fees and expenses of Bond Counsel and Disclosure Counsel, the cost of printing the Preliminary and final Official Statements, fees and expenses of the Trustee, fees and expenses of the Appraiser, reimbursement of developer advances, and the fees of the Financial Advisor and the Special Tax Consultant.

THE BONDS

This section generally describes the security for the Bonds set forth in the Indenture, which is summarized in more detail in APPENDIX D. Capitalized terms used but not defined in this section are defined in APPENDIX D.

General Bond Terms

Dated Date, Maturity and Authorized Denominations. The Bonds will be dated their date of delivery and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple of $5,000.

Interest. The Bonds will bear interest at the annual rates set forth on the inside cover page of this Official Statement, payable semiannually on each March 1 and September 1, commencing March 1, 2014 (each, an "**Interest Payment Date**"). Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months.

Payments of Interest and Principal. Interest on the Bonds is payable from the Interest Payment Date next preceding their date of authentication unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date (as defined below), in which event it will bear interest from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or (iii) interest on any Bond is in default as of its date of authentication, in which event interest will be payable from the date to which interest has previously been paid or duly provided for. The Indenture defines "Record Date" as, with respect to interest payable on any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

Interest will be paid in lawful money of the United States on each Interest Payment Date. Interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date will, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which will be given to such Owner not less than ten days prior to such special record date.

The principal of the Bonds is payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee. Payment of principal of any Bond will be made only upon presentation and surrender of such Bond at the Office of the Trustee.

DTC and Book-Entry Only System. The Depository Trust Company ("**DTC**") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered initially in the name of Cede & Co. (DTC's partnership nominee).

Except as provided in the Indenture, the registered Owner of all of the Bonds will be DTC and the Bonds will be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything to the contrary contained in the Indenture or described above, payment of interest with respect to any Bond registered as of each Record Date in the name of Cede & Co. will be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Bonds at the address indicated on the Record Date for Cede & Co. in the Registration Books.

See "APPENDIX E – DTC and the Book-Entry Only System."

Authority for Issuance

Community Facilities District Proceedings. The Bonds are issued under the Act, the Resolution of Issuance and the Indenture. In addition, as required by the Act, the Board has taken the following actions with respect to establishing the Community Facilities District and authorizing issuance of the Bonds:

> *Resolutions of Intention*: On April 12, 2005, the Board adopted Resolution No. 04-05-73 stating its intention to establish the Community Facilities District and to authorize the levy of a special tax therein. On the same day, the Board adopted Resolution No. 04-05-74 stating its intention to incur bonded indebtedness in an amount not to exceed $14,800,000 in the aggregate within the Community Facilities District for the purpose of financing the Facilities. See "FINANCING PLAN."
>
> *Resolution Approving Joint Community Facilities Agreement*: On April 12, 2005, the Board adopted Resolution No. 04-05-75, approving the JCFA.
>
> *Resolution of Formation*: Immediately following a noticed public hearing on June 21, 2005, the Board adopted Resolution No. 04-05-101, which established the Community Facilities District and authorized the levy of special taxes to fund authorized public facilities.
>
> *Resolution of Necessity*: On June 21, 2005, the Board adopted Resolution No. 04-05-102 declaring the necessity to incur bonded indebtedness in an aggregate amount not to exceed $14,800,000 within the Community Facilities District and submitting that proposition to the qualified electors of the Community Facilities District.
>
> *Resolution Calling Election*: On June 21, 2005, the Board adopted Resolution No. 04-05-103 calling an election by the landowners within the Community Facilities District for the same date on the issues of the levy of the Annual Special Tax A and Annual Special Tax B, the incurring of bonded indebtedness and the establishment of an appropriations limit.
>
> *Landowner Election and Declaration of Results*: On June 21, 2005, an election was held within the Community Facilities District in which the qualified electors approved a ballot proposition authorizing the issuance of up to $14,800,000 to finance the acquisition and construction of the School Facilities and the EMWD Facilities, the levy of the Annual Special Tax A and Annual Special Tax B and the establishment of an appropriations limit for the Community Facilities District. On June 21, 2005, the Board adopted Resolution No. 04-05-104, under which the Board approved the canvass of the votes and declared the Community Facilities District to have the authority to levy the Annual Special Tax A and Annual Special Tax B, to incur the bonded indebtedness and to have the established appropriations limit.
>
> *Notice of Special Tax Lien*: A Notice of Special Tax Lien was recorded in the real property records of Riverside County on June 23, 2005, as Document No. 2005-0496285.

Ordinance Levying Special Taxes: On July 19, 2005, the Board adopted Ordinance No. 04-05-05 levying the Annual Special Tax A and Annual Special Tax B within the Community Facilities District.

Resolution of Issuance: On August 20, 2013, the Board adopted a resolution approving issuance of the Bonds of the Community Facilities District in an amount not to exceed $1,200,000.

School District's Goals and Policies. The School District adopted "Local Agency Goals and Policies for Community Facilities Districts" on September 9, 2003 (the "**Goals and Policies**").

The Goals and Policies establish an order of priority for financing by community facilities districts and certain credit quality requirements for bonds issued by community facilities districts, namely a 3:1 property value to public debt ratio (public debt is defined as community facilities district bonds and other bonds secured by special taxes or special assessments) as required by the Act. Property value may be based on an appraisal or on assessed values.

The Goals and Policies also require that the overlapping debt burden on property in a community facilities district (that is, the maximum annual special tax, together with ad valorem property taxes, special assessments, special taxes for any overlapping community facilities district, and any other taxes, fees and charges payable from and secured by the property) on any residential owner-occupied parcel in a community facilities district may not exceed 2% (the basic property tax levy of 1%, plus 1%) of the expected sales price of such parcel upon completion of the public and private improvements relating thereto.

The School District and the Community Facilities District have determined that issuance of the Bonds conforms with the School District's Goals and Policies.

Debt Service Schedule

The following table presents the annual debt service on the Bonds (including sinking fund redemptions), assuming there are no optional redemptions.

Year Ending September 1	Principal	Interest	Total Debt Service
2014	-	$49,383.43	$49,383.43
2015	-	53,068.76	53,068.76
2016	-	53,068.76	53,068.76
2017	-	53,068.76	53,068.76
2018	-	53,068.76	53,068.76
2019	$5,000	53,068.76	58,068.76
2020	5,000	52,881.26	57,881.26
2021	5,000	52,681.26	57,681.26
2022	10,000	52,468.76	62,468.76
2023	10,000	52,018.76	62,018.76
2024	10,000	51,543.76	61,543.76
2025	15,000	51,056.26	66,056.26
2026	15,000	50,306.26	65,306.26
2027	20,000	49,537.50	69,537.50
2028	20,000	48,487.50	68,487.50
2029	25,000	47,437.50	72,437.50
2030	30,000	46,093.76	76,093.76
2031	30,000	44,443.76	74,443.76
2032	35,000	42,793.76	77,793.76
2033	40,000	40,825.00	80,825.00
2034	40,000	38,525.00	78,525.00
2035	45,000	36,225.00	81,225.00
2036	50,000	33,637.50	83,637.50
2037	55,000	30,762.50	85,762.50
2038	60,000	27,600.00	87,600.00
2039	65,000	24,000.00	89,000.00
2040	75,000	20,100.00	95,100.00
2041	80,000	15,600.00	95,600.00
2042	85,000	10,800.00	95,800.00
2043	95,000	5,700.00	100,700.00
Totals:	$925,000	$1,240,252.33	$2,165,252.33

Redemption

Optional Redemption of the Bonds. The Bonds are subject to optional redemption prior to maturity, in whole, or in part in Authorized Denominations, on any Interest Payment Date from any source of available funds, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest thereon to the date fixed for redemption:

Redemption Date	Redemption Price
March 1, 2014 through March 1, 2021	103%
September 1, 2021 and March 1, 2022	102
September 1, 2022 and March 1, 2023	101
September 1, 2023 and any Interest Payment Date thereafter	100

Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to mandatory redemption prior to maturity, in whole, or in part in Authorized Denominations, on any Interest Payment Date from and to the extent of prepaid Special Taxes required to be applied to redeem Bonds under the Indenture, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest thereon to the date of redemption:

Redemption Date	Redemption Price
March 1, 2014 through March 1, 2021	103%
September 1, 2021 and March 1, 2022	102
September 1, 2022 and March 1, 2023	101
September 1, 2023 and any Interest Payment Date thereafter	100

Mandatory Sinking Payment Redemption of the Bonds. The Bonds maturing on September 1, 2037 (the "**2037 Term Bonds**") are subject to mandatory sinking payment redemption in part on September 1 in each year, commencing September 1, 2034, at a redemption price equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

2037 Term Bonds

Sinking Payment Redemption Date (September 1)	Sinking Payments
2034	$40,000
2035	45,000
2036	50,000
2037 (maturity)	55,000

The Bonds maturing on September 1, 2043 (the "**2043 Term Bonds**" and together with the 2037 Term Bonds, the "**Term Bonds**") are subject to mandatory sinking payment redemption in part on September 1 in each year, commencing September 1, 2038, at a redemption price equal to the principal amount thereof to be redeemed, without premium, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

2043 Term Bonds

Sinking Payment Redemption Date (September 1)	Sinking Payments
2038	$60,000
2039	65,000
2040	75,000
2041	80,000
2042	85,000
2043 (maturity)	95,000

If some but not all of the Term Bonds are redeemed through an optional redemption, the principal amount of Term Bonds to be subsequently redeemed through mandatory sinking fund redemption will be reduced by the aggregate principal amount of the Term Bonds so redeemed through optional redemption, such reduction to be allocated among redemption dates in amounts of $5,000 or integral multiples thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee.

If some but not all of the Term Bonds are redeemed due to Special Tax prepayments, the principal amount of Term Bonds to be subsequently redeemed through mandatory sinking fund redemption will be reduced by the aggregate principal amount of the Term Bonds so redeemed due to Special Tax prepayments, such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis in amounts of $5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination will be given by the Trustee to the Community Facilities District.

Notice of Redemption. The Trustee, on behalf and at the expense of the Community Facilities District, will mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 30 but not more than 60 days prior to the date fixed for redemption.

Neither the failure to receive any notice so mailed, nor any defect in such notice, will affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest on the Bonds from and after the date fixed for redemption.

However, while the Bonds are subject to DTC's book-entry system, the Trustee will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the Community Facilities District and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the beneficial owners of the Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Indenture.

Conditional Redemption Notice. With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed are deemed to have been paid within the meaning of the provisions of the Indenture concerning defeasance, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys are not so received, said notice will be of no force and effect and the Community Facilities District will not be required to redeem such Bonds.

If a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of Bonds pursuant to such notice of redemption.

Effect of Notice of Redemption. If notice has been mailed as described above, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, have been set aside with the Trustee, the Bonds will become due and payable on the redemption date, and, upon presentation and surrender thereof at the Office of the Trustee, the Bonds called for redemption will be paid at the Redemption Price thereof, together with interest accrued and unpaid to the redemption date.

If, on the date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to the redemption date, are held by the Trustee so as to be available for that purpose on that date, and, if notice of redemption thereof has been mailed as described in the Indenture and not canceled, then, from and after said date, interest on the Bonds called for redemption will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

Additional Bonds Test

The Community Facilities District may at any time issue Additional Bonds payable from Net Special Tax Revenues as provided in the Indenture on a parity with the Bonds, but only subject to the certain conditions precedent, including that one or more Independent Consultants certify that:

- on the basis of the parcels of land and improvements existing in the Community Facilities District, and the ownership thereof, as of the date 60 days prior to the date issuance of such Additional Bonds, for each Fiscal Year that Bonds will be Outstanding, the amount of the Available Special Taxes that may, in such Fiscal Year, be levied on all Developed Property that, as of such date 60 days prior to the date of issuance of such Additional Bonds, was owned by end-users is at least equal to 75% of Annual Debt Service for the Corresponding Bond Year on all Outstanding Bonds;

- the sum of (A) the Assessed Value of parcels of Taxable Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Taxable Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least ten times the sum of (i) the aggregate principal amount of Bonds that will be Outstanding after the issuance of such Additional Bonds, plus (ii) the aggregate principal amount of all fixed lien special assessments levied on parcels of Taxable Property, based upon information from the most recent Fiscal Year for which such information is available, plus (iii) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Taxable Property, and the denominator of which is the total amount of special taxes levied for such Other CFD Bonds on all parcels of land (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on such Other CFD Bonds occurs), based upon information from the most recent Fiscal Year for which such information is available; and

- the sum of (A) the Assessed Value of parcels of Undeveloped Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Undeveloped Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least three times the sum of (I) the aggregate principal amount of Bonds that will be Outstanding after the issuance of such Additional Bonds Allocable to Undeveloped Property, plus (II) the aggregate principal amount of all fixed lien special assessments levied on parcels of Undeveloped Property, based upon information from the most recent Fiscal Year for which such information is available, plus (III) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Undeveloped Property, and the denominator of which is the total amount of special taxes levied for such Other CFD Bonds on all parcels of land (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on such Other CFD Bonds occurs), based upon information from the most recent Fiscal Year for which such information is available.

The term "**Allocable**" for purposes of the preceding subparagraph means, for purposes of allocating portions of the principal amount of Bonds to particular parcels or categories of Taxable Property in order to determine whether Additional Bonds may be issued, as of any date:

(a) with respect to Developed Property, a principal amount of Bonds equal to the product of (i) the quotient of (A) 90.91% of the Available Special Taxes that could be generated from Special Taxes levied pursuant to the Act, the Ordinance and the Rate and Method in the then current Fiscal Year on Developed Property, divided by (B) Annual Debt Service for such current Fiscal Year's Corresponding Bond Year on all Outstanding Bonds, times (ii) the principal amount of Bonds that will be Outstanding upon the issuance of such Additional Bonds;

(b) with respect to Undeveloped Property, a principal amount of Bonds equal to the remainder of (i) the principal amount of Bonds that will be Outstanding upon the issuance of such Additional Bonds, less (ii) the principal amount of Bonds Allocable to Developed Property pursuant to the preceding paragraph (a).

Any bonds secured by Special Tax B under the Rate and Method are not Additional Bonds and are not subject to the Additional Bonds test described in this section.

See "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Definitions" for capitalized terms used but not defined in this section.

Bonds Not Secured by Annual Special Tax B

The Community Facilities District may issue a subsequent series of bonds secured by Annual Special Tax B under the Rate and Method, which will constitute a separate lien on the property within the Community Facilities District with the same priority as the lien of the Special Taxes securing the Bonds. See "FINANCING PLAN – The Community Facilities District Financing Plan." There is no cross-collateralization between Annual Special Tax A and Annual Special Tax B, and the Bonds are secured only by Annual Special Tax A.

Registration, Transfer and Exchange

The following provisions regarding the exchange and transfer of the Bonds apply only during any period in which the Bonds are not subject to DTC's book-entry system. While the Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and DTC's participants and will be subject to the procedures, rules and requirements established by DTC. See "APPENDIX E – DTC and the Book-Entry Only System."

Registration. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient books for the registration and transfer of ownership of the Bonds, which will be open to inspection during regular business hours and upon reasonable notice by the Community Facilities District; and upon presentation for this purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds.

Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds are surrendered for transfer, the Community Facilities District will execute (and the Trustee will authenticate and deliver) a new Bond or Bonds of the same maturity in a like aggregate principal amount, in any authorized denominations. The Trustee will require the bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Trustee will require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee will not be obligated to make any transfer or exchange of Bonds during the period established by the Trustee for the selection of Bonds for redemption or with respect to any Bonds selected for redemption.

SECURITY FOR THE BONDS

General

Pledge of Net Special Tax Revenues and Funds. Subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Net Special Tax Revenues and any other amounts (including proceeds of the sale of the Bonds) held in the Special Tax Fund, the Bond Fund and the Reserve Fund will be pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds. This pledge constitutes a first lien on such assets.

The Bonds have been sized to be secured by and payable from the Net Special Tax Revenues to be derived from the 88 completed single-family homes owned by individual homeowners. However, the Bonds are secured by all 351 parcels in the Community Facilities District and currently 120 parcels are expected to be taxed as Developed Property in Fiscal Year 2013-14. The Developers own the remaining 263 parcels in the Community Facilities District, which are in various states of development. See "THE COMMUNITY FACILITIES DISTRICT – Appraised Property Value" and "APPENDIX C – Summary Appraisal Report."

The Bonds are special obligations of the Community Facilities District, payable solely from Net Special Tax Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth in the Indenture), the School District or the State, or any political subdivision thereof, is pledged to the payment of the Bonds.

The amount of Special Taxes that the Community Facilities District may levy in any year is strictly limited by the maximum rates approved by the qualified electors within the Community Facilities District, as set forth in the Rate and Method. See "– Rate and Method" below.

Amounts in the Administrative Expense Fund, the Rebate Fund, the Costs of Issuance Fund and the Improvement Fund are *not* pledged to the repayment of the Bonds. The EMWD Facilities to be financed with the proceeds of the Bonds are not in any way pledged to pay the Debt Service on the

Bonds. Any proceeds of condemnation or destruction of any facilities financed with the proceeds of the Bonds are not pledged to pay the Debt Service on the Bonds and are free and clear of any lien or obligation imposed under the Indenture.

Net Special Tax Revenues. "**Net Special Tax Revenues**" is defined in the Indenture as Special Tax Revenues, less amounts required to pay Administrative Expenses.

"**Special Tax Revenues**" is defined in the Indenture as the proceeds of the Special Taxes received by or on behalf of the Community Facilities District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes (which are limited to the amount of the lien foreclosed upon, plus interest and penalties).

"**Special Taxes**" is defined in the Indenture as the special taxes described in the Rate and Method as "Annual Special Tax A" levied within the Community Facilities District under the Act, the Ordinance and the Indenture. See "– Rate and Method" below.

"**Administrative Expenses**" is defined in the Indenture as any ordinary expenses of the School District or the Community Facilities District directly related to the administration of the Community Facilities District, consisting of: the costs of computing the Special Taxes and preparing the annual Special Tax schedules and the costs of collecting the Special Taxes; the costs of remitting the Special Taxes to the Trustee; the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs incurred by the Community Facilities District in complying with the disclosure provisions of any continuing disclosure undertaking and the Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners; the costs of the Community Facilities District related to an appeal of the Special Tax; any amounts required to be rebated to the federal government in order for the Community Facilities District to comply with the Indenture; an allocable share of the salaries of the staff of the School District providing services on behalf of the Community Facilities District directly related to the foregoing and a proportionate amount of general administrative overhead of the School District related thereto; and the costs of foreclosure of delinquent Special Taxes.

Special Taxes

Under the Indenture, the Community Facilities District will covenant that, so long as any Bonds are outstanding, it will levy the Special Taxes in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and available for this purpose, to pay the principal of and interest on the Bonds becoming due and payable during the Bond Year commencing in such fiscal year, the Administrative Expenses estimated for such year, and any amounts required to replenish the Reserve Fund to the Reserve Requirement (collectively, the "**Special Tax Requirement**").

No assurance can be given that the amounts collected in any given year will, in fact, equal the Special Tax Requirement due to a variety of factors, including the maximum Special Tax rates and the maximum term of the Special Tax levy on each parcel of Taxable Property in the Community Facilities District imposed by the Rate and Method. See "– Rate and Method" below.

Procedure for Special Tax Levy. Under the Act and the Indenture, before August 1 of each year, the Community Facilities District will ascertain from the County Assessor the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Community Facilities District will effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 10 that the Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which the County Auditor will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next real property tax roll.

Upon the completion of the computation of the amounts of the levy, the Community Facilities District will prepare or cause to be prepared, and transmit to the County Auditor, such data as the County Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

Special Tax Levy Amount. Under the Indenture, the Community Facilities District will fix and levy the amount of Special Taxes within the Community Facilities District in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the annual maximum Special Tax that may be levied, in an amount sufficient to yield the following:

- the amount required for the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the Bond Year commencing in such Fiscal Year,

- the amount required for any necessary replenishment of the Reserve Fund, and

- the amount estimated to be sufficient to pay the Administrative Expenses during such year,

in each case taking into account the balances in the funds and accounts established under the Indenture.

Manner of Collection. The Indenture provides that the Special Taxes will be payable and be collected in the same manner and at the same time and in the same installment as the general ad valorem taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Because the Special Tax levy is limited to the Maximum Annual Special Tax rates set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the receipts of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay Debt Service on the Bonds.

Rate and Method

***General*.** The Special Tax is levied and collected according to the Rate and Method, which provides the means by which the Board may annually levy the Special Taxes within the Community Facilities District, up to the Maximum Annual Special Tax, and to determine the amount of the Special Tax that will need to be collected each Fiscal Year from the "**Taxable Property**" within the Community Facilities District. Property in the Community Facilities District is divided into two zones: Zone 1 and Zone 2.

The following is a synopsis of the provisions of the Rate and Method, which should be read in conjunction with the complete text of the Rate and Method, including its attachments, which is attached as "APPENDIX B – First Amended Rate and Method of Apportionment for Community Facilities District No. 2005-2 of the San Jacinto Unified School District." The meaning of the defined terms used in this section are as set forth in APPENDIX B. *This section provides only a summary of the Rate and*

Method, and is qualified by more complete and detailed information contained in the entire Rate and Method attached as APPENDIX B.

Annual Special Tax A and Annual Special Tax B*.* The Rate and Method creates two separate special taxes within the Community Facilities District: "**Annual Special Tax A**," which is designated for financing Water and Sewer Facilities (and which will serve as the only security for the Bonds), and "**Annual Special Tax B**," which is designated for financing School Facilities (and which will serve as security for a future series of bonds that the Community Facilities District expects to issue). *This section describes only those provisions of the Rate and Method relating to the calculation and levy of Annual Special Tax A.*

Tax A Minimum Annual Special Tax Requirement*.* Annually, at the time of levying the Special Tax for the Community Facilities District, the Board will determine the minimum amount of money to be levied on Taxable Property in the Community Facilities District (the "**Tax A Minimum Annual Special Tax Requirement**"), which will be the amount required in any Fiscal Year to pay the following:

(i) the debt service on the Bonds in the Calendar Year beginning in such Fiscal Year,

(ii) other periodic costs of the Bonds, including but not limited to, credit enhancement fees and charges and rebate payments on the Bonds due in the Calendar Year beginning in such Fiscal Year,

(iii) the portion of the Administrative Expenses of the Community Facilities District applicable to Annual Special Tax A,

(iv) any costs associated with the release of funds from an escrow account for the Bonds, if any,

(v) any amount required to establish or replenish any reserve funds established in association with the Bonds,

less any amounts on deposit in any fund or account which are available to pay for items (i) through (v) above under the Indenture in such Calendar Year.

Developed and Undeveloped Property; Exempt Property. All Assessor's Parcels within the Community Facilities District will be assigned to Zone 1 or Zone 2 and classified for each Fiscal Year as Taxable Property or Exempt Property, and each Assessor's Parcel of Taxable Property will be further classified as Developed Property or Undeveloped Property, all as defined below. In addition, Developed Property will be further classified based on the Building Square Footage of the Unit.

"**Developed Property**" means, for each Fiscal Year, all Assessor's Parcels for which Building Permits for the construction of Units were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the Board.

"**Undeveloped Property**" means all Assessors Parcels of Taxable Property that are not classified as Developed Property.

"**Taxable Property**" means all Assessor's Parcels that are not Exempt Property (as defined below).

"**Exempt Property**": the Board will classify property as Exempt Property in the following order of priority:

(i) Assessor's Parcels owned by the State of California, Federal or other local governments,

(ii) Assessor's Parcels with public utility easements or other restrictions making impractical their utilization for other than the purposes set forth in the easement or restriction,

(iii) Assessor's Parcels owned exclusively by a homeowners' association or which the homeowners' association has an easement,

(iv) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization,

(vi) Assessor's Parcels for which a building permit(s) was issued on or before May 1 of the prior Fiscal Year for the construction of a commercial or industrial building as reasonably determined by the Board.

However, property may not be classified as Exempt Property if that classification (1) would reduce the sum of all Taxable Property in Zone 1 to less than 39.95 acres of Acreage or (2) would reduce the sum of all Taxable Property in Zone 2 to less than 19.55 acres of Acreage. Assessor's Parcels that cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property to 39.95 acres of Acreage in Zone 1 or 19.55 acres of Acreage in Zone 2 will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

Maximum Annual Special Tax A, Assigned Annual Special Tax A and Backup Annual Special Tax A*.* The Maximum Annual Special Tax A is defined in the Rate and Method as follows:

Developed Property. The Maximum Annual Special Tax A is the *greater* of (i) the Assigned Annual Special Tax A, or (ii) the Backup Annual Special Tax A.

- *Assigned Annual Special Tax A*. The Assigned Annual Special Tax A for each Assessor's Parcel of Developed Property is determined by reference to Tables 1 and 2 in the Rate and Method, and varies from $614.95 per Unit to $746.42 per Unit in Zone 1 and from $636.17 per Unit to $704.68 per Unit in Zone 2, based on the number of Building Square Feet per Unit.

- *Backup Annual Special Tax A*. The Backup Annual Special Tax for a Lot within a Final Map is determined by multiplying the Acreage of Taxable Property in such Final Map by $4,473.13 for Zone 1 and by $3,058.33 for Zone 2, and dividing the result by the number of Lots in such Final Map.

  The Backup Annual Special Tax A is subject to adjustment if all or any portion of a Final Map is changed or modified, as set forth in the Rate and Method.

Undeveloped Property. The Maximum Annual Special Tax A is the Assigned Annual Special Tax A, which is $4,473.13 per Acre for Zone 1 and $3,058.33 per Acre for Zone 2.

Method of Apportionment. Under the Rate and Method, the Board will levy an Annual Special Tax A in both Zone 1 and Zone 2 each Fiscal Year as follows:

<u>Step One</u>: The Board will levy an Annual Special Tax A on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax A applicable to that Assessor's Parcel.

<u>Step Two</u>: If the sum of the amounts levied in step one is insufficient to satisfy the Tax A Minimum Annual Special Tax Requirement, then the Board will Proportionately levy an Annual Special Tax A on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax A applicable to each Assessor's Parcel of Undeveloped Property to satisfy the Tax A Minimum Annual Special Tax Requirement.

<u>Step Three</u>: If the sum of the amounts levied in steps one and two is insufficient to satisfy the Tax A Minimum Annual Special Tax Requirement, then the Board will Proportionately levy an Annual Special Tax A on each Assessor's Parcel of Developed Property from the Assigned Annual Special Tax A up to the Maximum Annual Special Tax A applicable to each Assessor's Parcel, to satisfy the Tax A Minimum Annual Special Tax Requirement.

Full Prepayment of Annual Special Taxes. The Annual Special Tax A obligations of an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued may be prepaid. An owner of an Assessor's Parcel intending to prepay the Annual Special Tax A obligation must provide the Community Facilities District with written notice of intent to prepay. Within 30 days of receipt of such written notice, the Board will reasonably determine the prepayment amount of such Assessor's Parcel and notify such owner of the Tax A Prepayment Amount.

The Prepayment Amount is calculated as set forth in APPENDIX B, and generally will be determined as the present value of the Annual Special Tax A (the "**Tax A Present Value of Taxes"**), less a credit for the parcel's proportionate share of the debt service reserve fund, plus the amount required to prepay the parcel's proportionate share of administrative expenses. The Rate and Method defines "Tax A Present Value of Taxes" as the present value of Annual Special Tax A applicable to such Assessor's Parcel in the current Fiscal Year not yet received by the Community Facilities District, plus the expected Annual Special Tax A applicable to such Assessor's Parcel in each remaining Fiscal Year until the termination date specified in the Rate and Method (35 Fiscal Years after the issuance of the last series of Bonds) using as the discount rate (i) the Bond Yield after Bond Issuance or (ii) the most recently published Bond Index prior to the Bond Issuance.

Partial Prepayment of Annual Special Taxes. Prior to the conveyance of the first production Unit on a Lot within a Final Subdivision Map, the owner of no less than all the Taxable Property within such Final Subdivision Map may elect to prepay a portion of the Annual Special Tax A obligations for all of the Assessor's Parcels within such Final Subdivision Map, provided that the terms set forth under the Rate and Method are satisfied, including (among others) the following conditions:

- The partial prepayment of each Annual Special Tax A obligation must be collected prior to the conveyance of the first production Unit on a lot within such Final Subdivision Map.

- No partial prepayment will be allowed unless the amount of Annual Special Tax A that may be levied on Taxable Property after such partial prepayment, net of an allocable portion of Administrative Expenses, must be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds (excluding any bonds payable from Annual Special Tax B revenues).

The Partial Prepayment Amount is calculated as the Prepayment Amount determined for full prepayment of Special Taxes, multiplied by the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation, all as set forth in further detail in APPENDIX B.

Appeals*.* Any property owner claiming that the amount or application of any Special Tax is not correct may file a written notice of appeal with the Board not later than 12 months after having paid the first installment of the Special Tax that is disputed. A representative of the Board will promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund will not be made (except for the last year of levy), but an adjustment will be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

Duration of Special Tax Levy. The Annual Special Tax A will be levied for a term of 35 Fiscal Years after the issuance of the last series of Tax A Bonds by the Community Facilities District, but in no event may the Annual Special Tax A be levied later than Fiscal Year 2049-50.

Covenant to Foreclose

Sale of Property for Nonpayment of Taxes. The Indenture provides that the Special Tax is to be collected in the same manner as ordinary ad valorem property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Foreclosure Under the Mello-Roos Law. Under Section 53356.1 of the Act, if any delinquency occurs in the payment of the Special Tax, the Community Facilities District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory.

However, the Community Facilities District will make the following covenants in the Indenture with respect to foreclosure:

> Under Section 53356.1 of the Act, the Community Facilities District will determine or cause to be determined, on or about June 15 of each year, whether or not any owners of property within the Community Facilities District are delinquent in the payment of Special Taxes and, if such delinquencies exist, the Community Facilities District will send or cause to be sent a notice of delinquency and demand for payment thereof to the property owner within 45 days of such determination. If such delinquency remains uncured, the Community Facilities District will order and cause to be commenced within 90 days of such determination of delinquency, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due.

Notwithstanding the foregoing, however, the Community Facilities District will not be required to order the commencement of foreclosure proceedings if (i) the total Special Tax delinquency in the Community Facilities District for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year, and (ii) the amount then on deposit in the Reserve Fund is equal to the Reserve Requirement. However, if the Community Facilities District determines that any single property owner in the Community Facilities District is delinquent in excess of $2,000 in the payment of the Special Tax, then the Community Facilities District will diligently institute, prosecute and pursue foreclosure proceedings against such property owner.

Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays. No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the Community Facilities District to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the Community Facilities District, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the Community Facilities District could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the Community Facilities District becomes the purchaser under a credit bid, the Community Facilities District must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of the defense, if any, put forth by the debtor and the Superior Court calendar. In addition, the ability of the Community Facilities District to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation (the "**FDIC**"). See "BOND OWNERS' RISKS – Exempt Properties."

Teeter Plan. Because the Community Facilities District does not participate in the "**Teeter Plan**" (which is the county's Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds, as provided for in Section 4701 et seq. of the California Revenue and Taxation Code), collections of Special Taxes will reflect actual delinquencies.

Special Tax Fund

Deposits. As soon as practicable after the receipt by the Community Facilities District of any Special Tax Revenues, but in any event no later than the date 10 Business Days prior to the Interest Payment Date after such receipt, the Community Facilities District will transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund.

However, any portion of any such Special Tax Revenues that represents prepaid Special Taxes that are to be applied to the payment of the Redemption Price of Bonds in accordance with the provisions of the Indenture will be identified to the Trustee as such by the Community Facilities District and deposited in the Redemption Fund.

Disbursements. Upon receipt of a Written Request of the Community Facilities District, the Trustee will withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the amount specified in such Written Request of the Community Facilities District as the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses.

On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer to the Administrative Expense Fund, the Trustee will withdraw from the Special Tax Fund and make the following transfers in the following order of priority:

• first, to the Interest Account within the Bond Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Interest Account to be equal to the interest due on the Bonds on such Interest Payment Date,

• second, to the Principal Account within the Bond Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Principal Account to be equal to the principal, if any, due on the Bonds on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds, and,

• third, to the Reserve Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement.

Bond Fund

Establishment and Deposits. The Trustee will establish and maintain a separate fund designated the "**Bond Fund**."

The Trustee will deposit in the Bond Fund from time to time the amounts required to be deposited therein from the Special Tax Fund and the Reserve Fund under the Indenture.

Bond Fund Deficiencies. If, on the Business Day before an Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal, if any, of and interest on the Bonds due and payable on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds, the Trustee will withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and transfer any amounts so withdrawn to the Bond Fund.

Disbursements. On each Interest Payment Date, the Trustee will withdraw from the Bond Fund for payment to the Owners of the Bonds the principal, if any, of and interest on the Bonds then due and payable, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds.

Redemption Fund

Establishment; Deposits. Under the Indenture the Trustee will establish and maintain a special fund designated the "Redemption Fund." As soon as practicable after the receipt by the Community Facilities District of prepaid Special Taxes, but in any event not later than ten Business Days after such receipt, the Community Facilities District will transfer such prepaid Special Taxes to the Trustee for deposit in the Redemption Fund.

Additionally, the Trustee will deposit in the Redemption Fund amounts received from the Community Facilities District in connection with the Community Facilities District's exercise of its rights to optionally redeem Bonds under the Indenture and any other amounts required to be deposited therein under the Indenture or any Supplemental Indenture.

Disbursements. Amounts in the Redemption Fund will be disbursed for the payment of the Redemption Price of Bonds redeemed through optional redemption or mandatory redemption from prepayment of Special Taxes under the Indenture.

Reserve Fund

Establishment; Reserve Requirement. In order to further secure the payment of principal of and interest on the Bonds, certain proceeds of the Bonds will be deposited into the Reserve Fund in an amount equal to the Reserve Requirement (see "FINANCING PLAN - Estimated Sources and Uses of Funds"). Reserve Requirement is defined in the Indenture to mean, as of the date of any calculation, the least of:

(i) 10% of the initial principal amount of the Bonds and any Additional Bonds (excluding Bonds or Additional Bonds refunded with the proceeds of subsequently issued Additional Bonds),

(ii) Maximum Annual Debt Service, and

(iii) 125% of Average Annual Debt Service.

Disbursements. Except as otherwise provided in the Indenture, all amounts deposited in the Reserve Fund will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of and interest on the Bonds or, in accordance with the provisions of the Indenture, for the purpose of redeeming Bonds.

Transfers will be made from the Reserve Fund to the Bond Fund in the event of a deficiency in the Bond Fund, in accordance with the Indenture. See "APPENDIX D – Summary of Certain Provisions of the Indenture" for a description of the timing, purpose and manner of disbursements from the Reserve Fund.

Investment of Moneys

Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed in writing by the Community Facilities District, maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in the Indenture.

However, Permitted Investments in which moneys in the Reserve Fund are so invested must mature no later than the earlier of five years from the date of investment or the final maturity date of the Bonds.

Further, if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. See

"APPENDIX D – Summary of Certain Provisions of the Indenture" for a definition of "Permitted Investments."

THE COMMUNITY FACILITIES DISTRICT

General

Description and Location. The Community Facilities District is located in the western portion of the County, in the northwestern portion of the City of San Jacinto consisting of a rural and agricultural area with new residential development occurring in nearby areas. The property consists of two non-contiguous development projects. One project is designated as Zone 1 and consists of 72.72 gross acres located along Potter Drive between Ramona Boulevard and De Anza Drive. The other project is designated as Zone 2 and consists of 29.71 gross acres located between De Anza Drive and Lyon Avenue.

All of the Taxable Property in the Community Facilities District is entitled for development as 351 single-family detached homes, of which 88 homes have been completed and sold to individual homeowners as of June 14, 2013. The remaining 203 parcels are owned by the Developers and are in various states of development, from completed homes to vacant parcels. See "– Development Status" below. The Bonds are being sized only on the anticipated Special Tax Revenues to be collected from these 88 completed homes owned by individual homeowners, but will be secured by all Taxable Property within the Community Facilities District. See "– Estimated Maximum Special Tax Proceeds and Debt Service Coverage" below.

See "APPENDIX A - General Information About the City of San Jacinto and Riverside County" for certain demographic information on the City of San Jacinto and the County. The boundary map of the Community Facilities District is attached as APPENDIX H. An aerial photo of the Community Facilities District is included in the front section of this Official Statement.

The School District

The following information relating to the School District is included only for the purpose of supplying general information regarding the School District. Neither the faith and credit nor the taxing power of the School District has been pledged to payment of the Bonds, and the Bonds will not be payable from any of the School District's revenues or assets.

The School District is located in the western portion of the County. The School District was originally formed in 1868 as the San Jacinto School District, and unified in 1943. The School District encompasses approximately 100 square miles within the Cities of San Jacinto, Hemet, Moreno Valley and Beaumont, and certain unincorporated areas in the County. The administration headquarters of the School District are located at 2045 South San Jacinto Avenue, San Jacinto, California.

For further demographic and background information regarding the area in and around the School District, see "APPENDIX A - General Information About the City of San Jacinto and Riverside County."

The School District serves grades kindergarten through grade twelve, and currently operates six elementary schools, two middle schools and two high schools. The School District's Fiscal Year 2012-13 enrollment was 10,041 students.

Estimated Maximum Special Tax Proceeds and Debt Service Coverage

The debt service on the Bonds is structured to produce Net Special Tax Revenues from the Assigned Annual Special Tax A and the Maximum Annual Special Tax A which, when applied to the projected debt service on the Bonds, is anticipated to result in a minimum debt service coverage ratio of 110% for the life of the Bonds.

The Bonds have been sized based on the projected Special Taxes to be collected on the 88 homes owned by 88 individual homeowners, however the Bonds are secured by all 351 parcels in the Community Facilities District. See "– Property Ownership" and "– Development Status" below.

Appraised Property Value

The Appraisal. An appraisal of the property within the Community Facilities District dated June 17, 2013, as updated by a supplemental report dated September 5, 2013 (the "**Appraisal**"), was prepared by Harris Realty Appraisal, Newport Beach, California (the "**Appraiser**") in connection with the issuance of the Bonds. The purpose of the appraisal was to ascertain the minimum market value of the 88 completed and sold dwelling units subject to the Special Tax in the Community Facilities District as of a June 14, 2013, date of value. The Appraisal was intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report, and with the appraisal standard proposed by the California Debt and Investment Advisory Commission.

The Summary Appraisal Report is attached to this Official Statement as APPENDIX C, and should be reviewed carefully. *The School District, the Underwriter and the Community Facilities District make no representation as to the accuracy or completeness of the Appraisal.*

Basis for Appraisal and Assumptions. The property rights appraised were of a fee simple interest subject to the lien of the Special Taxes.

The Appraisal was based on certain assumptions and limiting conditions set forth in APPENDIX C, including, among others, the following: that the quality of construction, utility of the floor plans, amenities and features of the 88 completed and sold homes are similar to the products currently being constructed in the market area.

Value Estimate. The Appraiser estimated that, as of the June 14, 2013 date of value, the fee simple interest of the 88 completed and sold homes within the Community Facilities District (subject to the lien of the Special Taxes) had the following minimum market value:

Property Owner	Appraised Value
Zone 1	
46 Individual Owners	$8,360,000
Zone 2	
42 Individual Owners	7,015,000
TOTAL	$15,375,000

Source: Appraisal. See "THE COMMUNITY FACILITIES DISTRICT – Appraised Property Value" and "APPENDIX C – Summary Appraisal Report."

The Appraisal additionally reports the Fiscal Year 2012-13 assessed value of the 263 remaining lots, which are owned by the Developers, to be $4,761,157.

See “THE COMMUNITY FACILITIES DISTRICT – Appraised Property Value” and “APPENDIX C – Summary Appraisal Report” for further information on the Appraisal.

Valuation Methods. The Appraiser estimated the minimum market value of the 88 homes owned by individual homeowners in the Community Facilities District based on the following approach.

To value the 88 completed and sold homes, the Appraiser estimated a conservative price per square foot for the average size sold units for each product type, using the direct comparison approach to value, which relied on the original sales prices and more recent resale prices of the completed homes within the Community Facilities District. The resale prices have been relied on in this analysis, as recent sales are more reflective of the current market conditions. Due to the built-out status of this portion of the Community Facilities District, the Appraiser utilized a mass appraisal technique in the valuation of the completed dwelling units. When implementing a mass appraisal, conservative estimates are to be used in the valuation. The Appraiser used an average conservative value, for the weighted average size unit for the two different neighborhoods within the Community Facilities District. By utilizing average value estimates, individual home values could be higher or lower, depending on unit size. However, the Appraisal concludes that, on an overall basis, the value conclusions are reasonable and meet attainable standards of accuracy.

Appraised Value to Burden Ratio

The table below shows the projected value to burden ratio for the property in the Community Facilities District based on the appraised value of the 88 homes owned by individual homeowners, as set forth in the Appraisal, all of which are classified as Developed Property in the Rate and Method, and the lien represented by the principal amount of the Bonds.

No assurance can be given that the amounts shown in this table will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

Table 1
San Jacinto Unified School District
Community Facilities District No. 2005-2
Appraised Values and Value to Burden Ratios

Rate and Method Classification [1]	Number of Parcels	Property Owner	Appraised Value [2]	Projected FY 2013-14 Special Tax Levy	Percentage of FY 2013-14 Special Tax Levy	Pro Rata Share of Bonds [3]	Value to Burden Ratio [4]
Zone 1 - Developed	46	Individual Homeowners [5]	$8,360,000	$36,900	52.49%	$485,494	17.22
Zone 2 - Developed	42	Individual Homeowners [5]	7,015,000	33,404	47.51	439,506	15.96
Total	88		$15,375,000	$70,304	100.00%	$925,000	16.62

[1] Based on development status reported as of May 1, 2013. Developed Property means, for each Fiscal Year, all Assessors Parcels for which building permits for the construction of Units were issued on or before May 1 of the prior Fiscal Year, provided that such Assessors' Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the Board. While the Special Tax will be levied on all 120 Developed Property parcels, this table shows the value to burden based only upon the 88 homes owned by individual homeowners. In accordance with the Rate and Method, Undeveloped Property parcels are not expected to be levied, therefore, no Special Tax Bonds are allocated to Undeveloped Property parcels.
[2] Based on Appraisal dated June 17, 2013, as updated by a supplemental report dated September 5, 2013, prepared by Harris Realty Appraisal.
[3] Allocated based on proportionate share of Fiscal Year 2013-14 Special Tax levy.
[4] Appraised values divided by the pro rata share of Special Tax Bonds (but excluding any overlapping bonded debt), allocated based on the proportionate share of the Fiscal Year 2013-14 Projected Special Tax levy for the 88 lots.
[5] Owners showing less than 4% of the Fiscal Year 2013-14 Projected Special Tax levy are categorized as "Individual Homeowners"
Source: Willdan Financial Services and the Appraiser.

Special Tax Revenues and Projected Debt Service Coverage

The debt service on the Bonds is structured such that the Net Special Tax Revenues from the Developed Property owned by the 88 individual homeowners, when applied to the projected debt service on the Bonds, is anticipated to result in a debt service coverage ratio of at least 110% for the life of the Bonds. The Community Facilities District has covenanted not to consent or conduct proceedings with respect to a reduction in the maximum Special Taxes that may be levied in the Community Facilities District below an amount, for any Fiscal Year, equal to 110% of the aggregate of the debt service due on the Bonds in such Fiscal Year, plus a reasonable estimate of Administrative Expenses for such Fiscal Year. The ability of the Community Facilities District to increase the Special Tax levy on residential property is subject to limitations under the Act. See "THE COMMUNITY FACILITIES DISTRICT-Potential Consequences of Special Tax Delinquencies."

The Net Special Tax Revenues from the 120 parcels in the Community Facilities District classified as Developed Property in Fiscal Year 2013-14, when applied to the projected debt service on the Bonds, is anticipated to result in a debt service coverage, net of administrative expense of approximately 164% for the life of the Bonds.

Table 2
San Jacinto Unified School District
Community Facilities District No. 2005-2
Property Ownership of Developed Property

Current Property Ownership	Number of Lots/Homes	Amount of FY 2013-14 Special Tax Levy	Percentage Share of Special Tax Liability
Individual Homeowners	88	$70,304	73.03%
Cado San Jacinto	15	11,888	12.35
888 Jacinto	12	10,112	10.50
46 Almaden San Jacinto	5	3,968	4.12
Totals:	120	$96,272	100.00%

Source: Willdan Financial Services.

Direct and Overlapping Governmental Obligations

Certain local agencies provide public services and assess property taxes, assessments, special taxes and other charges on the property in the Community Facilities District. Many of these local agencies have outstanding debt.

The direct and overlapping obligations affecting the property in the Community Facilities District as of June 1, 2013 are shown in the following table. The table is sourced from California Municipal Statistics Inc. and is included for general information purposes only. The Community Facilities District has not reviewed this report for completeness or accuracy and makes no representation in connection therewith.

Table 3
San Jacinto Unified School District
Community Facilities District No. 2005-2
Direct and Overlapping Governmental Obligations

(June 1, 2013)

2012-13 Local Secured Assessed Valuation: $19,051,254

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 6/1/13	
Metropolitan Water District General Obligation Bonds	0.001%	$ 1,498	
San Jacinto Unified School District General Obligation Bonds	0.900	393,606	
Eastern Municipal Water District Improvement District U19 General Obligation Bonds	1.960	3,214	
Eastern Municipal Water District Improvement District U20 General Obligation Bonds	2.000	2,680	
San Jacinto Unified School District Community Facilities District No. 2005-2	**100.000**	**-**	(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$400,998	
OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	0.009%	$ 60,557	
Riverside County Pension Obligations	0.009	32,762	
Riverside County Board of Education Certificates of Participation	0.009	368	
Mount San Jacinto Community College District General Fund Obligations	0.030	3,520	
San Jacinto Unified School District Certificates of Participation	0.900	376,700	
Valley-Wide Recreation and Park District Certificates of Participation	0.135	216	
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$474,123	
Less: Riverside County supported obligations		1,101	
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$473,022	
OVERLAPPING TAX INCREMENT DEBT:		$276,265	
GROSS COMBINED TOTAL DEBT		$1,151,386	(2)
NET COMBINED TOTAL DEBT		$1,150,285	

(1) Excludes Bonds to be issued.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2012-13 Local Secured Assessed Valuation:
Direct Debt.. - %
Total Direct and Overlapping Tax and Assessment Debt . 2.10%
Gross Combined Total Debt 6.04%
Net Combined Total Debt 6.04%

Ratio to Redevelopment Incremental Valuation ($15,421,175):
Total Overlapping Tax Increment Debt 1.79%

Estimated Property Tax Rates and Tax Burden on Single Family Home

The following table sets forth the estimated total property tax rates and tax burden on a single family detached unit of 2,701 to 2,900 building square feet in Zone 1 (representing the home size with the median effective tax rate for a single family home in the Community Facilities District), based on actual tax rates for Fiscal Year 2012-13.

Table 4
San Jacinto Unified School District
Community Facilities District No. 2005-2 – Zone 1
Median Property Tax Rates [1]

Appraised Valuations and Property Taxes		
Appraised Value [2]	$181,739	
Ad Valorem Property Taxes	**Percent of Total AV**	**Amount**
General Purposes	1.13150%	$2,056.36
Assessments, Special Taxes and Parcel Charges		
San Jacinto CFD No. 2005-2 Special Tax B		$1,199.76
San Jacinto CFD No. 2005-2 Special Tax A		779.44
City of San Jacinto CFD No. 2003-1		454.10
City of San Jacinto LLPD No. 2 Zone 27		241.72
Eastern Municipal Water District Combined Standby Charge		30.00
Valley-Wide Recreation and Park District Landscape Maintenance District 88-1		22.14
Metropolitan Water District of Southern California Standby Charge (East)		6.94
County Service Area No. 152 San Jacinto Stormwater		4.26
Riverside County Flood Control Stormwater/Cleanwater		3.74
Total Assessments, Special Taxes and Parcel Charges		**$2,742.10**
Total Property Taxes		$4,798.46
Total Effective Tax Rate		**2.64%**

[1] Fiscal Year 2012-13 property tax rates for a Single Family Detached unit containing 2,701 to 2,900 building square feet, selected to represent the median effective tax rate for a home within the Community Facilities District.
[2] Appraised valuation for the representative unit.
Source: Willdan Financial Services

The following table sets forth the estimated total property tax rates and tax burden on a single family detached unit of 2,401 to 2,800 building square feet in Zone 2 (representing the home size with the median effective tax rate for a single family home in the Community Facilities District), based on actual tax rates for Fiscal Year 2012-13.

Table 5
San Jacinto Unified School District
Community Facilities District No. 2005-2 – Zone 2
Median Property Tax Rates [1]

Appraised Valuations and Property Taxes		
Appraised Value [2]		$167,024
Ad Valorem Property Taxes	**Percent of Total AV**	**Amount**
General Purposes	1.16350%	$1,943.22
Assessments, Special Taxes and Parcel Charges		
San Jacinto CFD No. 2005-2 Special Tax B		$1,135.90
San Jacinto CFD No. 2005-2 Special Tax A		775.82
City of San Jacinto CFD No. 2003-1		454.10
Eastern Municipal Water District Combined Standby Charge		30.00
Valley-Wide Recreation and Park District Landscape Maintenance District No. 88-1		22.14
Metropolitan Water District of Southern California Standby Charge (East)		6.94
County Service Area No. 152 San Jacinto Stormwater		4.26
Riverside County Flood Control Stormwater/Cleanwater		3.78
Total Assessments, Special Taxes and Parcel Charges		**$2,432.84**
Total Property Taxes		**$4,376.16**
Total Effective Tax Rate		**2.62%**

[1] Fiscal Year 2012-13 property tax rates for a Single Family Detached unit containing 2,401 to 2,800 building square feet, selected to represent the median effective tax rate for a home within the Community Facilities District.
[2] Appraised valuation for the representative unit.
Source: Willdan Financial Services

The following is a description of certain of the direct assessments mentioned in the two preceding tables, using the most recent information available.

City of San Jacinto CFD No. 2003-1 (Zones 1 and 2). This district provides funding for police and fire protection services within its boundaries. This district may impose a maximum special tax of $454.10 per single-family residential unit for Fiscal Year 2012-13. The special tax may be increased annually by the greater of 2.00% or the annual change in the Consumer Price Index. However, the special tax may not be increased in any year by an amount greater than 6.00% of the amount in effect during the prior year.

EMWD Standby (Zones 1 and 2). The Eastern Municipal Water District imposes an annual charge of $30.00 per acre or $30.00 per parcel for parcels under 1 acre; all property is rounded to the nearest acre. This charge is used to fund capital improvements to the water distribution system and to acquire, operate and maintain sewer facilities.

Valley-Wide Recreation and Park District Regional Parks Landscape Maintenance District No. 88-1 (Zones 1 and 2). The annual maximum assessment per single-family residential lot for Fiscal Year 2012-13 is $22.15, which pays for a portion of the costs for the installation, operation, maintenance and servicing of landscaping, irrigation systems, hardscapes, walls, site lighting, and appurtenant facilities located in public rights-of-way or easements including, but not limited to, playground equipment, play courts, ball fields, public restrooms and certain designated park sites and community centers within the boundaries of the district, and in recreation and park facilities, including the Regional Park Facilities. There is no annual inflator.

Metropolitan Water District Standby East (Zones 1 and 2). The Metropolitan Water District imposes an annual charge of $6.94 per acre or $6.94 per parcel for parcels under 1 acre. This charge is used for capital improvements to the water distribution system and the construction and maintenance of reservoirs.

County Service Area No. 152 – San Jacinto Stormwater (Zones 1 and 2). The County imposes an annual charge of $4.86 per acre or $4.26 per parcel for parcels under 1 acre, which is used for capital improvements to the stormwater run-off system and to reduce and control pollution.

Riverside County Flood Control and Water Conservation District (Stormwater/Cleanwater) (Zones 1 and 2. The Riverside County Flood Control and Water Conservation District ("Flood Control District") imposes a pay-as-you-go assessment used to offset the Flood Control District's program and administration costs associated with the development, implementation and management of identified stormwater management activities required by the federally mandated National Pollutant Discharge Elimination System Permit Program. The assessment is fixed unless there is a vote to increase the assessment. The assessment rate is calculated by multiplying the Benefit Assessment Unit ("BAU") rate of $3.75 per BAU by the BAU for that land use category. The BAU is computed based upon the parcel's size (acreage) and its land use classification. One BAU is 1/6 of an acre for single-family residential units. A single-family residence on a 7,200 square foot lot is defined as 1 BAU as well. The BAUs for other types of land use are calculated in proportion to the amount of runoff generated by a single family residence on a 7,200 square foot lot.

City* of *San Jacinto Landscape Lighting and Park District No. 2 Zone 27 (Zone 1). This district provides funding for the installation, operation, maintenance and servicing of street lights and traffic signals; the installation, maintenance and servicing of landscaped areas (parkways, medians, open space, detention/retention basins, etc.); the installation, operation, maintenance and servicing of municipal parks; the installation, operation, maintenance and servicing of drainage facilities; and graffiti removal from horizontal and vertical surfaces which are appurtenant to the above items; all of which are located in public rights-of-way or easements within its boundaries. This district may impose a maximum assessment of $604.33 per single-family residential unit for Fiscal Year 2012-13. The maximum assessment may be increased annually by the Consumer Price Index, however, any annual increase shall not exceed seven and one-half percent (7.5%). For Fiscal Year 2012-13, the applied rate was 40% of the maximum.

Special Tax Collection and Delinquency Rates

Overall Delinquencies. The Special Taxes were first levied in the Community Facilities District in Fiscal Year 2005-06. The table below presents the collections and delinquencies of the Special Taxes in the Community Facilities District for Fiscal Years 2010-11 through 2012-13.

Table 6
San Jacinto Unified School District
Community Facilities District No. 2005-2 Special Tax A
Special Tax Collections and Delinquencies
Fiscal Years 2010-11 through 2012-13

Subject Fiscal Year[1]							As of August 21, 2013		
Fiscal Year Ending June 30	Aggregate Annual Special Tax	Parcels Levied	Total Annual Special Taxes Collected	Parcels Delinquent	Fiscal Year Amount Delinquent	Fiscal Year Delinquency Rate	Remaining Parcels Delinquent	Remaining Amount Delinquent	Remaining Delinquency Rate
2011	$90,718	120	$85,509	7	$5,209	5.74%	3	$1,805	1.99%
2012	92,532	120	84,837	11	7,695	8.32	3	2,238	2.42
2013	94,383	120	91,324	4	3,059	3.24	4	3,059	3.24

[1] Reflects delinquency information as of June 30 of the applicable fiscal year. Does not include any penalties, interest or fees. Delinquency information does not include the Special Tax B component.
Source: Willdan Financial Services, based on information provided by the County Tax Collector.

No Prior or Pending Foreclosure Actions. To date, the School District and the Community Facilities District have not initiated foreclosure actions against any parcels within the Community Facilities District for Special Tax delinquencies.

Potential Consequences of Special Tax Delinquencies

General. Sustained and continuing delinquencies in the payment of the Special Taxes at increased levels could cause a draw on the Reserve Fund established for the Bonds and perhaps, ultimately, a default in the payment on the Bonds. If the delinquency rate were to increase, the Reserve Fund could be fully depleted, and a default on the Bonds could occur. See "BOND OWNERS' RISKS."

Special Tax Enforcement and Collection Procedures. The School District could receive additional funds for the payment of debt service through foreclosure sales of delinquent property, but no assurance can be given as to the amount of foreclosure sale proceeds or when foreclosure sale proceeds would be received. The School District has covenanted in the Indenture to commence and pursue foreclosure proceedings against delinquent parcels under the terms and conditions described herein. See "SECURITY FOR THE BONDS — Covenant to Foreclose" and "BOND OWNERS' RISKS – Limited Number of Taxable Parcels."

Foreclosure actions would include, among other steps, formal Board action to authorize commencement of foreclosure proceedings, mailing multiple demand letters to the record owners of the delinquent parcels advising them of the consequences of failing to pay the applicable special taxes and contacting secured lenders to obtain payment. If these efforts were unsuccessful, they would be followed (as needed) by the filing of an action to foreclose in superior court against each parcel that remained delinquent.

Limitations on Increases in Special Tax Levy. If owners are delinquent in the payment of Special Taxes, the School District may not increase Special Tax levies to make up for delinquencies for prior Fiscal Years above the Maximum Special Tax rates specified for each category of property within the Community Facilities District. See "SECURITY FOR THE BONDS – Rate and Method." In addition, the proceedings establishing the Community Facilities District provide that under no circumstances will the Special Tax levied against any parcel be increased as a consequence of the delinquency or default by the owner of another parcel or parcels within the Community Facilities District by more than 10%. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the Bonds. See "BOND OWNERS' RISKS."

Property Ownership

Neither the Bonds nor the Special Taxes are personal obligations of any owners of Taxable Property within the Community Facilities District. In addition, the information about the Developers under "- Property History" below has been provided by representatives of the Developers and has not been independently confirmed or verified by the Underwriter, the School District or the Community Facilities District.

General. The table below shows the property ownership within the Community Facilities District as of the date of this Official Statement. For purposes of the 2013-14 Special Tax levy, 120 taxable parcels in the Community Facilities District are considered Developed Property, however, the Bonds have been sized based on the projected Special Taxes to be collected on the 88 homes owned by individual homeowners.

Table 7
San Jacinto Unified School District
Community Facilities District No. 2005-2
Property Ownership as of June 14, 2013

Current Property Ownership	Number of Lots/Homes	Amount of 2013-14 Special Tax Levy	Percentage Share of Special Tax Liability
Homeowners	88	$70,304	73.03%
Cado San Jacinto [1]	159	11,888	12.35
888 Jacinto [2]	58	10,112	10.50
46 Almaden San Jacinto [3]	46	3,968	4.12
Totals:	351	$96,272	100.00%

[1] Includes 88 physically finished lots and 71 blue-top lots with wet utilities.
[2] Includes 12 built but vacant homes and 46 physically finished lots.
[3] All lots are physically finished lots.
Source: Willdan Financial Services and the Appraisal.

Property History. The original developer of the 263 lots in Zone 1 was Alexander Communities, which began development of Potter Ranch in 2003. Alexander Communities built 32 homes and sold 26 to homeowners between 2005 and 2008. In 2007, Alexander Communities sold 72 lots to Granite Homes, which constructed and sold 14 homes to individual homeowners in 2007 and 2008. In the fall of 2008, CADO San Jacinto, an investment entity, acquired the note which was secured by Alexander Communities' remaining 88 finished lots, 71 blue top lots with wet utilities installed and 6 nearly completed homes. CADO San Jacinto foreclosed the note and renovated and sold the 6 existing homes to individual homeowners in 2009. Another investment fund, FNBN RESCON, acquired the note and ultimately foreclosed on the remaining Granite Homes lots and sold the collateral consisting of 12 partially completed homes and 46 finished lots to yet another investor, 888 Jacinto. CADO San Jacinto (159 lots) intends to sell its remaining property to merchant builders. On July 30, 2013, 888 Jacinto sold its 46 lots and 12 partially constructed homes to SFR Investments SoCal-G, LLC ("**SFR Investments**") at a sales price of $2,425,000, and SFR Investments simultaneously transferred the 46 lots to Citivest Inc. ("**Citivest**"). SFR Investments intends to complete construction on the 12 homes and hold for rental or resale to individual homeowners. Citivest is a real estate investment company based in Orange County, California, specializing in acquisitions, management, renovation and resale of distressed residential and commercial properties. Citivest and SFR Investments are related entities.

The original developer of the 88 lots in Zone 2 was Young California Homes, which built and sold 42 homes between 2005 and 2006. The remaining 46 lots were foreclosed on by Guaranty Bank and then were sold to 46 Almaden San Jacinto in February 2010. 46 Almaden San Jacinto is holding the lots for ultimate sale to a merchant builder.

Property Development Status of the Community Facilities District

The property within the Community Facilities District is planned for a total of 351 single family detached homes. Eighty-eight completed and sold homes are owned by individual homeowners. The current owners of the remaining 263 lots intend to hold and sell their property to merchant builders. For purposes of the Fiscal Year 2013-14 Special Tax levy, 120 taxable parcels in the Community Facilities District are considered Developed Property.

The following table summarizes the ownership and development status of the neighborhoods in the Community Facilities District as of June 14, 2013, the date of value of the Appraisal:

Table 8
San Jacinto Unified School District
Community Facilities District No. 2005-2
Development Status as of June 14, 2013

Tract and Lot Number	No. Lots	Ownership	Condition
Zone 1			
Tract 31037-1			
Lots 33-42, 44-47, 72-81 and 90-93	28	Individuals	Completed and Sold Homes
Lots 16-27, 43 and 48-68	34	Cado San Jacinto	Finished Lots
Lots 1-15	15	Cado San Jacinto	Finished Lots/Retention Basin
Lots 28-32, 69-71 and 82-89[1]	16	Cado San Jacinto	Finished Lots/Slabs
Tract 31037-2			
Lots 7-10	4	Individuals	Completed and Sold Homes
Lots 1-6 and 11-27	23	Cado San Jacinto	Finished Lots
Tract 31037-3			
Lots 1 and 60-72	14	Individuals	Completed and Sold Homes
Lots 2-6, 32-35 and 57-58 [2]	12	888 Jacinto	Completed homes, vacant
Lots 7-31 and 36-56	46	888 Jacinto	Finished Lots
Tract 31037			
Lots 1-71	71	Cado San Jacinto	Blue Top Lots with wet utilities
Subtotal	263		
Zone 2			
Tract 31154			
Lots 4-13, 40-44, 46-55, 68-71, 76-83 and 84-88 [2]	42	Individuals	Completed and Sold Homes
Lots 1-3, 14-26, 29-39, 45, 56-78 and 72	41	46 Almaden San Jacinto	Finished Lots
Lots 27, 28 and 73-75	5	46 Almaden San Jacinto	Finished Lots/Slabs
Subtotal	88		
TOTAL	351		

[1] The home located on Lot 84 of Tract 31037-3 in Zone 1 is fire damaged and currently vacant.
[2] Includes four model homes.
Source: Appraisal. See "THE COMMUNITY FACILITIES DISTRICT – Appraised Property Value" and "APPENDIX C – Summary Appraisal Report."

BOND OWNERS' RISKS

The purchase of the Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks which should be considered before making an investment decision. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds.

Special Obligation of the Community Facilities District to Pay Debt Service

The Community Facilities District has no obligation to pay principal of and interest on the Bonds if Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies. Neither the School District nor the Community Facilities District is obligated to advance funds to pay debt service on the Bonds.

Levy and Collection of the Special Tax

General. The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against property within the Community Facilities District.

Limitation on Maximum Special Tax Rate. The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Rate and Method. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the Bonds. Generally, the Community Facilities District levies Special Taxes at the Assigned Special Tax rate on Developed Property in the Community Facilities District. In the event that delinquencies occur in the receipt of Special Taxes within the Community Facilities District in any fiscal year, the Community Facilities District may increase the Special Tax levy up to the maximum rates as permitted in the Rate and Method in the following fiscal years if determined necessary to cure any delinquencies on the Bonds. There may be little or no difference between the Assigned Special Tax rate and the maximum rates where the property within the Community Facilities District is all categorized as Developed Property. In the event the Community Facilities District was to levy Special Taxes on Developed Property in the Community Facilities District at less than the Assigned Annual Special Tax, pursuant to Section 53321 of the Act and resolutions adopted by the Community Facilities District, under no circumstances will the Special Tax levied against any parcel used for private residential purposes be increased as a consequence of the delinquency or default by the owner of any other parcel or parcels within the Community Facilities District by more than 10%. For such purposes, a parcel will be considered used for private residential purposes not later than the date on which an occupancy permit for private residential use is issued.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax formula set forth in the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of parcels of Taxable Property could be reduced through the acquisition of an interest in Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof or sponsored thereby, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels. Such entities and agencies include the FDIC, the Federal National Mortgage Association ("**Fannie Mae**"), the Federal Home Loan Mortgage Corporation ("**Freddie Mac**"), the Drug Enforcement Agency, the Internal Revenue Service or other similar federal governmental agencies. The FDIC could obtain such an interest by taking over a financial institution which has made a loan which is secured by property within the Community Facilities District, and Fannie Mae or Freddie Mac could obtain such an interest by acquiring a mortgage secured by property within the Community Facilities District. See " — Exempt Properties — Property Owned by FDIC" below.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay the Special Tax, or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See "–Property Tax Delinquencies" below. For a summary of Special Tax collections in the Community Facilities District for the prior Fiscal Year, see "THE COMMUNITY FACILITIES DISTRICT – Special Tax Collection and Delinquency Rates." Sustained or increased delinquencies in the payment of the Special Taxes could cause a draw on the Reserve Fund established for the Bonds and perhaps, ultimately, a default in the payment on the Bonds.

Other Laws. Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of such military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

Delays Following Special Tax Delinquencies and Foreclosure Sales. The Indenture generally provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in "SECURITY FOR THE BONDS – Covenant to Foreclose" and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the Community Facilities District of the proceeds of sale if the Reserve Fund is depleted. See "SECURITY FOR THE BONDS – Covenant to Foreclose."

Risks Related to Declines in Home Values

Declines in home values in the Community Facilities District could result in property owner unwillingness or inability to pay mortgage payments, as well as *ad valorem* property taxes and Special Taxes, when due. Under such circumstances, bankruptcies could occur. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

Limited Number of Taxable Parcels

Numerous or continuing delinquencies by the owners of Taxable Property in the Community Facilities District in the payment of property taxes (and, consequently, the Special Taxes, which are collected on the ordinary property tax bills) when due could result in a deficiency in Special Tax revenues necessary to pay debt service on the Bonds, which could in turn result in the depletion of the Reserve Fund, prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax. In that event, there could be a delay or failure in payments of the principal of and interest on the Bonds. See "SECURITY FOR THE BONDS – Reserve Fund," and "THE COMMUNITY FACILITIES DISTRICT – Potential Consequences of Special Tax Delinquencies."

Payment of Special Tax is not a Personal Obligation of the Property Owners

An owner of Taxable Property is not personally obligated to pay the Special Taxes. Rather, the Special Taxes are an obligation running only against the parcels of Taxable Property. If, after a default in the payment of the Special Tax and a foreclosure sale by the Community Facilities District, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the affected parcels of Taxable Property, the Community Facilities District has no recourse against the owner.

Appraised Values

The Appraisal summarized in APPENDIX C estimates the market value of the Taxable Property within the Community Facilities District. This market value is merely the opinion of the Appraiser as of the date of value set forth in the Appraisal, and is subject to the assumptions and limiting conditions stated in the Appraisal. The Community Facilities District has not sought an updated opinion of value by the Appraiser subsequent to the date of value of the Appraisal, or an opinion of the value of the Taxable Property by any other appraiser. A different opinion of value might be rendered by a different appraiser.

The opinion of value assumes a sale by a willing seller to a willing buyer, each having similar information and neither being forced by other circumstances to sell or to buy. Consequently, the opinion is of limited use in predicting the selling price at a foreclosure sale, because the sale is forced and the buyer may not have the benefit of full information.

In addition, the opinion is based upon the facts and circumstances at the date of value of the Appraisal. Differing facts and circumstances may lead to differing opinions of value. The appraised value is not evidence of future value because future facts and circumstances may differ significantly from such date of value.

No assurance can be given that any of the Taxable Property in the Community Facilities District could be sold for the estimated market value contained in the Appraisal if that property should become delinquent in the payment of Special Taxes and be foreclosed upon.

Property Values

The value of Taxable Property within the Community Facilities District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Special Tax, the Community Facilities District's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land values could be adversely affected by economic and other factors beyond the Community Facilities District's control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood, landslides, wildfires, or other natural disasters, environmental pollution or contamination, or unfavorable economic conditions.

The following is a discussion of specific risk factors that could affect the value of property in the Community Facilities District.

Risks Related to Availability of Mortgage Loans. Recent events in the United States and world-wide capital markets have adversely affected the availability of mortgage loans to homeowners, including potential buyers of homes within the Community Facilities District. Any such unavailability could hinder the ability of the current homeowners to resell their homes, or the sale of newly completed homes in the future.

***Natural Disasters*.** The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements. The areas in and surrounding the Community Facilities District, like those in much of California, may be subject to unpredictable seismic activity, including earthquakes and landslides.

Other natural disasters could include, without limitation, floods, wildfires, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the Taxable Property may well depreciate or disappear.

***Legal Requirements*.** Other events that may affect the value of Taxable Property include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

***Hazardous Substances*.** One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The appraised values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any of the Taxable Property by reason of the possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. Although the Community Facilities District is not aware that the owner or operator of any of the Taxable Property has such a current liability with respect to any of the Taxable Property, it is possible that such liabilities do currently exist and that the Community Facilities District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of Taxable Property that is realizable upon a delinquency.

Other Possible Claims Upon the Value of Taxable Property

The Bonds are the first series of Bonds that will be secured only by Annual Special Tax A under the Indenture, and are the first series of bonds to be issued under the combined $14,800,000 bond authorization for the Community Facilities District. It is expected that the Community Facilities District will issue Additional Bonds payable from the Annual Special Tax A and bonds payable from the Annual Special Tax B under the Rate and Method, which will constitute a separate lien on the property within the Community Facilities District with the same priority as the lien of the Special Taxes securing the Bonds. If issued in the future, any Additional Bonds or bonds payable from the Annual Special Tax B will likely lower the value to lien ratio on the Taxable Property within the Community Facilities District.

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The table in the section entitled "THE COMMUNITY FACILITIES DISTRICT – Direct and Overlapping Governmental Obligations" shows the presently outstanding amount of governmental obligations (with stated exclusions), the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property. The table also states the additional amount of general obligation bonds the tax for which, if and when issued, may become an obligation of one or more of the parcels of Taxable Property. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the Bonds.

In general, as long as the Special Tax is collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro-rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See "– Bankruptcy Delays" below.

Exempt Properties

Exemptions Under Rate and Method and the Act. Certain properties are exempt from the Special Tax in accordance with the Rate and Method and the Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the Community Facilities District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. See "SECURITY FOR THE BONDS – Rate and Method."

In addition, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

Property Owned by FDIC. The ability of the Community Facilities District to collect interest and penalties specified by State law and to foreclose the lien of a delinquent Special Tax installment may be limited in certain respects with regard to property in which the Federal Deposit Insurance Corporation ("**FDIC**") has or obtains an interest. The FDIC has asserted a sovereign immunity defense to the payment of special taxes and assessments. The Community Facilities District is unable to predict what effect this assertion would have in the event of a delinquency on a parcel within the Community Facilities District in which the FDIC has or obtains an interest.

In addition, although the FDIC does not claim immunity from *ad valorem* property taxation, it requires a foreclosing entity to obtain FDIC's consent to foreclosure proceedings. Prohibiting a foreclosure on property owned by the FDIC could reduce the amount available to pay the principal of and interest on the Bonds. Either outcome would cause a draw on the Reserve Fund established for the Bonds and perhaps, ultimately, a default in the payment on the Bonds.

Property Owned by Fannie Mae or Freddie Mac. If a parcel of taxable property is owned by a federal government entity or federal government-sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government-sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Special

Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the Community Facilities District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest.

No investigation has been made as to whether any governmental entity or government-sponsored entity currently owns or has an interest in any property in the Community Facilities District.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement. See "SECURITY FOR THE BONDS – Reserve Fund." The Reserve Fund will be used to pay principal of and interest on the Bonds if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within the Community Facilities District. If the Reserve Fund is depleted, it can be replenished from the proceeds of the levy and collection of the Special Taxes that exceed the amounts to be paid to the Bondowners under the Indenture. However, because the Special Tax levy is limited to the maximum annual Special Tax rates, it is possible that no replenishment would be possible if the Special Tax proceeds, together with other available funds, remain insufficient to pay all such amounts. Thus it is possible that the Reserve Fund will be depleted and not be replenished by the levy and collection of the Special Taxes.

Bankruptcy Delays

The payment of the Special Tax and the ability of the Community Facilities District to foreclose the lien of a delinquent unpaid Special Tax, as discussed in "SECURITY FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent Special Taxes not being paid in full.

Disclosure to Future Purchasers

The Community Facilities District has recorded a notice of the Special Tax lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land or a home in the Community Facilities District or the lending of money secured by property in the Community Facilities District. The Act and the Goals and Policies require the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

No Acceleration Provisions

The Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the Bonds or the Indenture. Under the Indenture, a Bondholder is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies. See “APPENDIX D – Summary of Certain Provisions of the Indenture.” So long as the Bonds are in book-entry form, DTC will be the sole Bondholder and will be entitled to exercise all rights and remedies of Bondholders.

Loss of Tax Exemption

As discussed under the caption “LEGAL MATTERS – Tax Matters,” interest on the Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the Community Facilities District in violation of its covenants in the Indenture. The Indenture does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the Bonds were to become includable in gross income for purposes of federal income taxation, the Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional or mandatory redemption or redemption upon prepayment of the Special Taxes. See “THE BONDS – Redemption.”

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the "**IRS**") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of such Bonds might be affected as a result of such an audit of such Bonds (or by an audit of similar bonds or securities).

Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Bondowners from realizing the full current benefit of the tax status of such interest.

For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds that is otherwise excludable from gross income for federal income tax purposes, including interest on the Bonds, to a tax payable by certain bondholders that are individuals, estates or trusts with adjusted gross income in excess of certain specified thresholds.

The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation.

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the Community Facilities District. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Bonds.

Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIIIC and XIIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act". Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIIIA and XIIIC of the State Constitution. The amendments to Article XIIIA limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes ("special taxes") require a two-thirds vote.

The Special Taxes and the Bonds were each authorized by not less than a two-thirds vote of the landowners within the Community Facilities District who constituted the qualified electors at the time of such voted authorization. The Community Facilities District believes, therefore, that issuance of the Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the Community Facilities District and its obligations can be determined. Certain provisions of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

LEGAL MATTERS

Legal Opinions

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Community Facilities District. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement and expresses no opinion as to the matters set forth herein. A complete copy of the proposed form of Bond Counsel opinion is attached as APPENDIX G and will accompany the Bonds.

Jones Hall, A Professional Law Corporation, San Francisco, California is serving as Disclosure Counsel to the School District and the Community Facilities District.

Tax Matters

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the Community Facilities District ("**Bond Counsel**"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "**Code**"), and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX G hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("**Premium Bonds**") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Community Facilities District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention, after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition, or the accrual or receipt of interest on the Bonds, may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration's proposed 2014 budget includes a legislative proposal which, for tax years beginning after December 31, 2013, would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("**IRS**") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Community Facilities District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Community Facilities District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Community Facilities District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Community Facilities District and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Community Facilities District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Community Facilities District or the beneficial owners to incur significant expense.

No Litigation

At the time of delivery of the Bonds, the School District and the Community Facilities District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the Community Facilities District has been served with process or threatened:

- which in any way questions the powers of the Board or the Community Facilities District, or

- which in any way questions the validity of any proceeding taken by the Board in connection with the issuance of the Bonds, or

- wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Bond Purchase Contract, or

- which in any way could adversely affect the validity or enforceability of the Resolutions, the Bonds, the Indenture, the Issuer Continuing Disclosure Agreement or the Bond Purchase Contract, or

- to the knowledge of the Community Facilities District, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes, or

- in any other way questions the status of the Bonds under State tax laws or regulations.

CONTINUING DISCLOSURE

The Community Facilities District will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Bonds by not later than seven months after the end of the Community Facility District's fiscal year, or January 31 each year based on the Community Facilities District's current fiscal year end of June 30 (the "**Annual Report**"), and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the Community Facilities District is set forth in APPENDIX F.

The School District has not, on several occasions during the past five years, fully complied with its prior continuing disclosure undertakings under the Rule. For example, with respect to continuing disclosure undertakings made in connection with outstanding special tax bonds of community facilities districts of the School District, the annual disclosure reports omitted certain required information, and with respect to outstanding general obligation bonds of the School District, the School District did not timely file material event notices for ratings changes relating to bond insurer downgrades. The School District has made filings to correct all known instances of non-compliance during the last five years. The School District believes it has established processes to ensure it will make required filings on a timely basis in the future. Willdan Financial Services serves as dissemination agent to the

Community Facilities District and Fieldman, Rolapp & Associates, or one of its subsidiaries, serves as dissemination agent to the School District.

NO RATINGS

The Community Facilities District has not made, and does not contemplate making, any application to a rating agency for a rating on the Bonds. No such rating should be assumed from any credit rating that the School District or the Community Facilities District may obtain for other purposes. Prospective purchasers of the Bonds are required to make independent determinations as to the credit quality of the Bonds and their appropriateness as an investment.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated at a purchase price of $882,494.10 (which represents the aggregate principal amount of the Bonds ($925,000.00), less original issue discount of $6,615.90 and less an Underwriter's discount of $35,890.00).

The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

PROFESSIONAL FEES

In connection with the issuance of the Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the Bonds. Those professionals include:

- the Underwriter;
- Jones Hall, A Professional Law Corporation, as Disclosure Counsel;
- Orrick, Herrington & Sutcliffe LLP, as Bond Counsel;
- Fieldman, Rolapp & Associates, as Financial Advisor;
- A portion of the fees of Willdan Financial Services, as Special Tax Consultant; and
- Zions First National Bank, as Trustee for the Bonds.

EXECUTION

The execution and delivery of the Official Statement by the Community Facilities District has been duly authorized by the Board of Trustees of the San Jacinto Unified School District, acting as the legislative body of the Community Facilities District.

COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT

By: /s/ Richard De Nava
Richard De Nava,
Assistant Superintendent, Business Services of the San Jacinto Unified School District, on behalf of Community Facilities District No. 2005-2 of the San Jacinto Unified School District

APPENDIX A

GENERAL INFORMATION ABOUT
THE CITY OF SAN JACINTO AND THE COUNTY OF RIVERSIDE

The following information concerning the City of San Jacinto and Riverside County are included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, the County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

The County. Riverside County (the "**County**"), which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, Riverside County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the South by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 24 incorporated cities in Riverside County.

Riverside County's varying topology includes desert, valley and mountain areas as well as gently rolling terrain. Three distinct geographical areas characterize Riverside County: the western valley area, the higher elevations of the mountains, and the deserts. The western valley, the San Jacinto mountains and the Cleveland National Forest experience the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions. Riverside County is the site for famous resorts, such as Palm Springs, as well as a leading area for inland water recreation. Nearly 20 lakes in Riverside County are open to the public. The dry summers and moderate to cool winters make it possible to enjoy these and other recreational and cultural facilities on a year-round basis.

The City. The City of San Jacinto, incorporated April 9, 1888, is located in western Riverside County, approximately 80 miles east of Los Angeles, 493 miles south of San Francisco, and 90 miles north of San Diego. San Jacinto is situated 1,546 feet above sea level, and encompasses an area of 26.81 square miles. Average annual rainfall is 13.5 inches per year, with an average 342 days of sunshine each year and average annual temperatures of 80.2 - 45.1 degrees Fahrenheit. The City has six public parks, and San Jacinto is the home of the Valley-Wide Regional Park, a 36-acre park and recreational facility featuring a 22,000-square-foot sports center, lighted tennis courts, ball diamonds, privately operated batting cages, soccer fields, picnic area and play equipment. Area golf enthusiasts can enjoy both private and public courses.

Population

The following sets forth the City, the County and the State population estimates as of January 1 for the years 2009 through 2013:

CITY OF SAN JACINTO, RIVERSIDE COUNTY AND STATE OF CALIFORNIA
Estimated Population

Year (January 1)	City of San Jacinto	Riverside County	State of California
2009	36,521	2,140,626	36,966,713
2010	36,933	2,179,692	37,223,900
2011	44,421	2,205,731	37,427,946
2012	44,937	2,234,193	37,668,804
2013	45,217	2,255,059	37,966,471

Source: State of California Department of Finance, Demographic Research Unit.

Commercial Activity

Commercial activity is an important factor in Riverside County's economy. Much of Riverside County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are eight regional shopping malls in Riverside County: Riverside Plaza, Galleria at Tyler (Riverside), Palm Springs Mall, Desert Fashion Mall, Indio Fashion Mall, Hemet Valley Mall, Palm Desert Town Center and Moreno Valley Mall at Towngate. There are also two factory outlet malls (Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area centers in Riverside County.

In 2009, the State Board of Equalization converted the business codes of sales and use tax permit holders to North American Industry Classification System codes. As a result of the coding change, retail stores data for 2009 and after is not comparable to that of prior years. A summary of historic taxable sales within the City during the past five years in which data is available is shown in the following table. Total taxable sales during calendar year 2011 in the city were reported to be $193,050,000, a __% increase over the total taxable sales of $182,110,000 reported during calendar year 2010. Annual figures are not yet available for 2012.

CITY OF SAN JACINTO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2007	308	$152,630	593	$173,716
2008	336	167,209	651	192,541
2009 [1]	376	151,641	576	175,394
2010 [1]	396	158,283	586	182,110
2011 [1]	404	168,750	599	193,050

(1) Retail Stores data not comparable to years prior to 2009. "Retail" category now includes "Food Services."
Source: *State Board of Equalization, Taxable Sales in California (Sales & Use Tax).*

A summary of historic taxable sales within the County during the most recent five years in which data is available is shown in the following table. Total taxable transactions during calendar year 2011 in the County were reported to be $25.6 billion, a 10.7% increase over the total taxable transactions of $23.1 billion reported during calendar year 2010. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions within the County is presented in the following table. Annual figures are not yet available for 2012.

COUNTY OF RIVERSIDE
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2007	22,918	$21,242,516	45,279	$29,023,609
2008	23,604	18,689,249	46,272	26,003,595
2009 (1)	29,829	16,057,488	42,765	22,227,877
2010 (1)	32,534	16,919,500	45,688	23,152,780
2011 (1)	33,398	18,576,285	46,886	25,641,497

(1) Retail Stores data not comparable to years prior to 2009. “Retail” category now includes “Food Services.”
Source: State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Major Employers

The following table lists the largest employers within the County:

COUNTY OF RIVERSIDE
Major Employers
(As of June 2013)

Employer Name	Location	Industry
Abbott Vascular	Temecula	Physicians & Surgeons
Corona Regional Medical Ctr	Corona	Hospitals
Corrections Dept	Norco	State Govt-Correctional Institutions
Desert Regional Medical Ctr	Palm Springs	Hospitals
Eisenhower Medical Ctr	Rancho Mirage	Orthopedic Surgeons
Handsome Rewards	Perris	Internet & Catalog Shopping
Hemet Valley Medical Ctr	Hemet	Hospitals
Hotel at Fantasy Springs	Indio	Casinos
Hub International of CA Ins	Riverside	Insurance
Inland Valley Medical Ctr	Wildomar	Hospitals
J W Marriott-Desert Spgs Resort	Palm Desert	Hotels & Motels
Kaiser Permanente	Riverside	Hospitals
La Quinta Golf Course	La Quinta	Golf Courses
La Quinta Resort & Club	La Quinta	Resorts
Morongo Casino Resort & Spa	Cabazon	Casinos
Morongo Tribal Gaming Ent	Banning	Business Management Consultants
Pechanga Resort & Casino	Temecula	Casinos
Restoration Technologies Inc	Corona	Electronic Equipment & Supplies-Repair
Riverside Community Hospital	Riverside	Hospitals
Riverside County Regional Med	Moreno Valley	Clinics
Roupe's Renovations	Wildomar	Remodeling & Repairing Bldg Contractors
Starcrest of California	Perris	Internet & Catalog Shopping
Starcrest Products-California	Perris	Gift Shops
Sun World Intl LLC	Coachella	Fruits & Vegetables-Growers & Shippers
Universal Protection Svc	Palm Desert	Security Guard & Patrol Service

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2013 2nd edition.

Employment and Industry

The City is included in the Riverside–San Bernardino–Ontario labor market area. The following table shows the average annual estimated numbers of wage and salary workers by industry comprising the civilian labor force, as well as unemployment information, for years 2008-2012. This table does not include proprietors, the self-employed, unpaid volunteers or family workers, domestic workers in households, and persons in labor management disputes.

RIVERSIDE–SAN BERNARDINO–ONTARIO METROPOLITAN STATISTICAL AREA (RIVERSIDE COUNTY)
Civilian Labor Force, Employment and Unemployment; Employment by Industry (Annual Averages)

	2008	2009	2010	2011	2012
Civilian Labor Force (1)	1,776,400	1,775,700	1,799,900	1,795,000	1,805,400
Employment	1,629,800	1,541,900	1,541,700	1,551,500	1,586,800
Unemployment	146,600	233,800	258,200	243,500	218,600
Unemployment Rate	8.3%	13.2%	14.3%	13.6%	12.1%
Wage and Salary Employment: (2)					
Agriculture	15,900	14,900	15,000	14,900	15,100
Mining and Logging	1,200	1,100	1,000	1,000	1,200
Construction	90,700	67,900	59,700	59,000	61,200
Manufacturing	106,900	88,800	85,100	85,100	86,500
Wholesale Trade	54,100	48,900	48,600	49,000	51,300
Retail Trade	168,600	156,200	155,500	158,500	161,700
Transportation, Warehousing and Utilities	70,200	66,800	66,600	68,700	70,800
Information	14,800	14,100	14,000	12,100	11,600
Finance and Insurance	27,400	26,000	25,500	25,300	26,000
Real Estate and Rental and Leasing	18,700	16,600	15,500	14,600	14,800
Professional and Business Services	138,200	125,100	123,400	125,800	126,800
Educational and Health Services	131,800	133,600	133,800	139,200	145,500
Leisure and Hospitality	131,000	123,800	122,800	124,200	129,500
Other Services	40,800	37,300	38,200	39,100	40,400
Federal Government	19,600	20,600	22,700	21,300	20,600
State Government	29,600	29,800	29,300	29,100	28,200
Local Government	181,900	184,900	182,300	177,100	175,700
Total All Industries (2)	1,241,200	1,156,400	1,139,000	1,143,700	1,166,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
Source: State of California Employment Development Department.

Construction Activity

The following is a five year summary of the valuation of building permits issued in the City and in the County.

CITY OF SAN JACINTO
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2008	2009	2010	2011	2012
Permit Valuation					
New Single-family	$23,168.9	$1,208.8	$5,078.3	$1,961.7	$8,963.4
New Multi-family	24,410.6	0.0	0.0	0.0	0.0
Res. Alterations/Additions	16,864.6	518.3	781.9	1,649.9	419.1
Total Residential	$64,444.1	$1,727.2	$5,860.2	$3,611.6	$9,382.5
New Commercial	1,977.8	2,169.2	0.0	235.1	1,971.9
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	1,920.4	1,161.6	698.6	442.0	0.0
Com. Alterations/Additions	3,198.4	884.9	748.5	1,268.7	1,023.0
Total Nonresidential	$7,096.6	$4,215.7	$1,447.1	$1,945.8	$2,994.9
New Dwelling Units					
Single Family	69	9	38	14	50
Multiple Family	216	0	0	0	0
TOTAL	285	9	38	14	50

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF RIVERSIDE
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2008	2009	2010	2011	2012
Permit Valuation					
New Single-family	$1,214,753.0	$ 892,790.0	$ 914,057.4	$647,070.8	$ 904,156.2
New Multi-family	243,741.9	75,756.1	71,151.9	113,170.4	87,878.6
Res. Alterations/Additions	118,488.7	85,148.0	94,427.5	188,468.9	87,370.5
Total Residential	$1,576,983.5	$1,053,694.1	$1,079,636.8	$948,710.1	$1,079,405.3
New Commercial	$ 539,943.4	$ 94,651.4	$191,323.7	$166,714.4	$508,192.8
New Industrial	70,410.8	12,277.6	6,685.5	10,000.0	26,432.5
New Other	138,765.2	107,332.1	98,104.6	16,576.8	11,115.5
Com. Alterations/Additions	292,693.8	162,557.5	243,265.5	297,356.4	171,263.2
Total Nonresidential	$1,041,813.1	$376,818.7	$539,379.4	$490,647.6	$717,004.0
New Dwelling Units					
Single Family	3,815	3,431	4,031	2,659	3,720
Multiple Family	2,104	759	526	1,061	909
TOTAL	5,919	4,190	4,557	3,720	4,629

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the median effective buying income for the County of Riverside, State and the United States for the period 2008 through 2012.

COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND UNITED STATES
Effective Buying Income
For Calendar Years 2008 through 2012

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2008	Riverside County	$40,935,408	$46,958
	California	832,531,445	48,952
	United States	6,443,994,426	42,303
2009	Riverside County	$41,337,770	$47,080
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2010	Riverside County	$38,492,225	$44,253
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	Riverside County	$39,981,683	$44,116
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	Riverside County	$40,157,310	$43,860
	California	864,088,828	47,307
	United States	6,737,867,730	41,358

Source: The Nielsen Company (US), Inc.

Riverside County Agriculture

Agriculture remains a leading source of income in Riverside County. Principal agricultural products are milk, eggs, table grapes, grapefruit, nursery, alfalfa, dates, lemons and avocados. Four areas in Riverside County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of Riverside County, the Coachella Valley in the central portion and the Palo Verde Valley near Riverside County's eastern border.

Riverside County Transportation

Easy access to job opportunities in Riverside County and nearby Los Angeles, Orange and San Diego Counties is important to Riverside County's employment picture. Several major freeways and highways provide access between Riverside County and all parts of Southern California. The Riverside Freeway (State Route 91) extends southwest through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses the width of Riverside County, the western-most portion of which links up with major cities and freeways in the eastern part of Los Angeles County and the southern part of San Bernardino County. Interstate 15 and 215 extend north and then east to Las Vegas, and south to San Diego. The Moreno Valley Freeway (U.S. 60) provides an alternate (to Interstate 10) east-west link to Los Angeles County.

Currently, Metrolink provides commuter rail service to Los Angeles and Orange Counties from several stations in Riverside County. Transcontinental passenger rail service is provided by Amtrak with a stop in Indio. Freight service to major west coast and national markets is provided by two transcontinental railroads – Burlington Northern/Santa Fe and Union Pacific. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, including the cities of Palm Springs and Indio. The City of Banning also operates a local bus system.

Riverside County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Los Angeles Department of Airports. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. County-operated general aviation airports include those in Thermal, Hemet, Blythe and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Force Base, which converted from an active duty base to a reserve-only base on April 1, 1996. Plans for joint military and civilian use of the base thereafter are presently being formulated by the March AFB Joint Powers Authority, comprised of Riverside County and the Cities of Riverside, Moreno Valley and Perris.

Riverside County Environmental Control Services

Water Supply. Riverside County obtains a large part of its water supply from groundwater sources, with certain areas of Riverside County, such as the City of Riverside, relying almost entirely on groundwater. As in most areas of Southern California, this groundwater source is not sufficient to meet countywide demand and Riverside County's water supply is supplemented by imported water. At the present time imported water is provided by the Colorado River Aqueduct and the State Water Project.

At the regional and local level, there are several water districts that were formed for the primary purpose of supplying supplemental water to the cities and agencies within their areas. The Rancho

California Water District, the Coachella Valley Water District, the Western Municipal Water District and the Eastern Municipal Water District are the largest of these water districts in terms of area served. Riverside County is also served by the San Gorgonio Pass Water Agency, Desert Water Agency and Palo Verde Irrigation District.

Flood Control. Primary responsibility for planning and construction of flood control and drainage systems within Riverside County is provided by the Riverside County Flood Control and Water Conservation District and the Coachella Valley Storm Water Unit.

Sewage. There are 18 wastewater treatment agencies in Riverside County's Santa Ana River region and nine in Riverside County's Colorado River Basin region. Most residents in the rural unsewered areas of Riverside County rely upon septic tanks and leach fields as an environmentally acceptable method of sewage disposal.

Riverside County Education

There are four elementary school districts, one high school district, eighteen unified (K-12) school districts and four community college districts in Riverside County. Ninety-five percent of all K-12 students attend schools in the unified school districts. The three largest unified districts are Riverside Unified School District, Moreno Valley Unified School District and Corona-Norco Unified School District.

There are seven two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley and Palo Verde Valley. There are also two universities and a four-year college located in the City of Riverside – the University of California, Riverside, La Sierra University and California Baptist College.

APPENDIX B

FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT

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FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT

Annual Special Taxes shall be levied on and collected in Community Facilities District No. 2005-2 of the San Jacinto Unified School District ("CFD No. 2005-2") in each Fiscal Year, in an amount determined through the application of the first amended rate and method of apportionment described below. All of the real property in CFD No. 2005-2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

SECTION A
DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or **"Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map, that creates the boundaries of each Assessor's Parcel Number.

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

"Administrative Expenses" means any ordinary expenses of the School District or CFD No. 2005-2 related to the administration of CFD No. 2005-2.

"Annual Special Tax" means the Annual Special Tax A or Annual Special Tax B.

"Annual Special Tax A" means the Special Tax levied in each Fiscal Year on an Assessor's Parcel as set forth in Section F.

"Annual Special Tax B" means the Special Tax levied in each Fiscal Year on an Assessor's Parcel as set forth in Section G.

"Assessor's Parcel" means a lot or parcel of land in CFD No. 2005-2 which is designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County Assessor for purposes of identification.

"Assigned Annual Special Tax" means the Assigned Special Tax A or Assigned Annual Special Tax B.

"Assigned Annual Special Tax A" means the Special Tax of that name as set forth in Section D.

"Assigned Annual Special Tax B" means the Special Tax of that name as set forth in Section D.

"Backup Annual Special Tax" means the Backup Annual Special Tax A or Backup Annual Special Tax B.

"Backup Annual Special Tax A" means the Special Tax of that name described in Section E.

"Backup Annual Special Tax B" means the Special Tax of that name described in Section E.

"Board" means the Board of Trustees of San Jacinto Unified School District or its designee as the legislative body of CFD No. 2005-2.

"Bonds" means the Tax A Bonds or Tax B Bonds.

"Bond Index" means the National Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used should be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and S&P's A-plus, as reasonable determined by the Board.

"Bond Yield" means the yield on the last series of Bonds issued by or on behalf of CFD No. 2005-2, as calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the non-arbitrage certificate or other similar bond issuance document.

"Building Permit" means a permit for the construction of one or more Units issued by the City, or another public agency in the event the City no longer issues permits for the construction of Units within CFD No. 2005-2. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

"Building Square Footage" or **"BSF"** means the square footage of internal living space of a Unit, exclusive of garages or other structures not used as living space, as set forth in the Building Permit application for such Unit or other applicable records of the City.

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

"City" means the City of San Jacinto.

"County" means the County of Riverside, State of California.

"Developed Property" means, for each Fiscal Year, all Assessor's Parcels for which Building Permits for the construction of Units were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the Board.

"Exempt Property" means the property designated as Exempt Property in Section K.

"Final Subdivision Map" means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the Recorder of the County.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Homeowner" means any owner of a completed Unit constructed and sold within CFD No. 2005-2.

"Indenture" means the bond indenture, master trust agreement, fiscal agent agreement, or similar document, regardless of title, pursuant to which Tax A Bonds or Tax B Bonds are issued and which establishes the terms and conditions for the payment of such Tax A Bonds or Tax B Bonds, as modified, amended and/or supplemented from time to time in accordance with its terms.

"Lot" means an individual legal lot created by a Final Subdivision Map for which a Building Permit for a Unit has been or could be issued, provided that land for which one or more Building Permit(s) have been or could be issued for the construction of one or more model Units shall not be construed as a Lot until such land has been subdivided by a Final Subdivision Map.

"Maximum Annual Special Tax" means the Maximum Annual Special Tax A or the Maximum Annual Special Tax B.

"Maximum Annual Special Tax A" means for each Fiscal Year the maximum Annual Special Tax A determined in accordance with Section C that can be levied by CFD No. 2005-2 in such Fiscal Year on any Assessor's Parcel.

"Maximum Annual Special Tax B" means for each Fiscal Year the maximum Annual Special Tax B determined in accordance with Section C that can be levied by CFD No. 2005-2 in such Fiscal Year on any Assessor's Parcel.

"Minimum Taxable Acreage" means for each Zone, the applicable Acreage listed in Table 3 set forth in Section K.

"Prepayment Amount" means the Tax A Prepayment Amount or Tax B Prepayment Amount.

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

"Reserve Fund Credit" means an amount equal to the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount. In the event that a surety bond or other credit instrument satisfies the reserve requirement or the reserve fund is under funded at the time of the prepayment, no Reserve Fund Credit shall be given.

"School District" means the San Jacinto Unified School District or any successor school district.

"Special Tax" means any of the special taxes authorized to be levied in CFD No. 2005-2 under the Act and this First Amended RMA.

"Tax A Bonds" means any obligation to pay or repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, payable from Annual Special Tax A revenues.

"Tax A Minimum Annual Special Tax Requirement" means the amount required in any Fiscal Year to pay: (i) the debt service on the Tax A Bonds in the Calendar Year beginning in such Fiscal Year, (ii) other periodic costs of the Tax A Bonds, including but not limited to, credit enhancement fees and charges and rebate payments on the Tax A Bonds due in the Calendar Year beginning in such Fiscal Year, (iii) the portion of the Administrative Expenses of CFD No. 2005-2 applicable to Annual Special Tax A, (iv) any costs associated with the release of funds from an escrow account for the Tax A Bonds, (v) any amount required to establish or replenish any reserve funds established in association with the Tax A Bonds, less (vi) any amounts on deposit in any fund or account which are available to pay for items (i) through (v) above pursuant to any applicable Indenture in such Calendar Year.

"Tax A Partial Prepayment Amount" means that amount required to prepay a portion of the Annual Special Tax A obligation for an Assessor's Parcel as described in Section I.

"Tax A Prepayment Amount" means the amount required to prepay all of Annual Special Tax A obligation on any Assessor's Parcel determined pursuant to Section H.

"Tax A Present Value of Taxes" means the present value of Annual Special Tax A applicable to such Assessor's Parcel in the current Fiscal Year not yet received by the School District for CFD No. 2005-2, plus the expected Annual Special Tax A applicable to such Assessor's Parcel in each remaining Fiscal Year until the termination date specified in Section J using as the discount rate the (i) Bond Yield after Bond Issuance or (ii) the most recently published Bond Index prior to the Bond Issuance.

"Tax B Bonds" means any obligation to pay or repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, payable from Annual Special Tax B revenues.

"Tax B Minimum Annual Special Tax Requirement" means the amount required in any Fiscal Year to pay: (i) the debt service on the Tax B Bonds in the Calendar Year beginning in such Fiscal Year, (ii) other periodic costs on the Tax B Bonds, including but not limited to, credit enhancement fees and charges and rebate payments on the Tax B Bonds due in the Calendar Year beginning in such Fiscal Year, (iii) a portion of the Administrative Expenses of CFD No. 2005-2 attributable to Annual Special Tax B, (iv) any costs associated with the release of funds from an escrow account for the Tax B Bonds, (v) any amount required to establish or replenish any reserve funds established in association with the Tax B Bonds, less (vi) any amounts on deposit in any fund or account which are available to pay for items (i) through (v) above pursuant to any applicable Indenture in such Calendar Year.

"Tax B Prepayment Amount" means the amount required to prepay all of Annual Special Tax B obligation on any Assessor's Parcel determined pursuant to Section I.

"Tax B Present Value of Taxes" means the present value of Annual Special Tax B applicable to such Assessor's Parcel in the current Fiscal Year not yet received by the School District for CFD No. 2005-2, plus the expected Annual Special Tax B applicable to such Assessor's Parcel in each remaining Fiscal Year until the termination date specified in Section J using as the discount rate the (i) Bond Yield after Bond Issuance or (ii) the most recently published Bond Index prior to the Bond Issuance.

"Taxable Property" means all Assessor's Parcels which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property.

"Unit" means each separate residential dwelling unit that comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

"Zone" means the areas identified as Zone in Exhibit A to this First Amended Rate and Method of Apportionment.

"Zone 1" means all property located within the area identified as Zone 1 in Exhibit A to this First Amended Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.

"Zone 2" means all property located within the area identified as Zone 2 in Exhibit A to this First Amended Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.

SECTION B
ASSIGNMENT OF ASSESSOR'S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2005-06, (i) each Assessor's Parcel within CFD No. 2005-2 shall be assigned to a Zone in accordance with Exhibit A at the reasonable discretion of the Board; (ii) each Assessor's Parcel within a Zone of CFD No. 2005-2 shall be classified as Taxable Property or Exempt Property; and (iii) each Assessor's Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property. Developed Property within each Zone shall be further classified based on the Building Square Footage of the Unit. The Acreage of Taxable Property assigned to a Zone shall not fall below the Minimum Taxable Acreage for such Zone as depicted in Table 6.

SECTION C
MAXIMUM ANNUAL SPECIAL TAX

1. Developed Property

The Maximum Annual Special Tax A for each Assessor's Parcel classified as Developed Property in each Fiscal Year shall be the greater of (i) the Assigned Annual Special Tax A for such Fiscal Year or (ii) the Backup Annual Special Tax A for such Fiscal Year.

The Maximum Annual Special Tax B for each Assessor's Parcel classified as Developed Property in each Fiscal Year shall be the greater of (i) the Assigned Annual Special Tax B for such Fiscal Year or (ii) the Backup Annual Special Tax B for such Fiscal Year.

2. Undeveloped Property

The Maximum Annual Special Tax A for each Assessor's Parcel classified as Undeveloped Property in each Fiscal Year shall be the Assigned Annual Special Tax A for such Fiscal Year.

The Maximum Annual Special Tax B for each Assessor's Parcel classified as Undeveloped Property in each Fiscal Year shall be the Assigned Annual Special Tax B for such Fiscal Year.

SECTION D
ASSIGNED ANNUAL SPECIAL TAXES

Each Fiscal Year all Taxable Property shall be subject to Assigned Annual Special Tax A and Assigned Annual Special Tax B.

1. Developed Property

The Assigned Annual Special Tax A and Assigned Annual Special Tax B for each Assessor's Parcel of Developed Property shall be determined by reference to Tables 1 – 2 according to the Zone in which the Assessor's Parcel is located and the Building Square Footage of the Unit.

TABLE 1

ASSIGNED ANNUAL SPECIAL TAXES FOR DEVELOPED PROPERTY IN ZONE 1 FOR FISCAL YEAR 2005-06

Building Square Footage	Assigned Annual Special Tax A	Assigned Annual Special Tax B
≤ 2,300	$614.95 per Unit	$946.56 per Unit
2,301 – 2,500	$646.75 per Unit	$995.52 per Unit
2,501 – 2,700	$667.96 per Unit	$1,028.16 per Unit
2,701 – 2,900	$678.56 per Unit	$1,044.48 per Unit
2,901 – 3,100	$699.75 per Unit	$1,077.09 per Unit
3,101 – 3,300	$720.95 per Unit	$1,109.73 per Unit
>3,300	$746.42 per Unit	$1,148.93 per Unit

TABLE 2

ASSIGNED ANNUAL SPECIAL TAXES FOR DEVELOPED PROPERTY IN ZONE 2 FOR FISCAL YEAR 2005-06

Building Square Footage	Assigned Annual Special Tax A	Assigned Annual Special Tax B
≤ 2,000	$636.17 per Unit	$931.55 per Unit
2,001 – 2,400	$655.75 per Unit	$960.22 per Unit
2,401 – 2,800	$675.32 per Unit	$988.88 per Unit
> 2,800	$704.68 per Unit	$1,031.87 per Unit

For each Fiscal Year, commencing with Fiscal Year 2006-07, the Assigned Annual Special Tax for all Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

2. Undeveloped Property

The Assigned Annual Special Tax A and the Assigned Annual Special Tax B for an Assessor's Parcel of Undeveloped Property for Fiscal Year 2005-06 shall be the amount determined by reference to Table 3 according to the Zone within which the Assessor's Parcel is located.

TABLE 3

ASSIGNED ANNUAL SPECIAL TAX FOR UNDEVELOPED PROPERTY FOR FISCAL YEAR 2005-06

Location	Assigned Annual Special Tax A	Assigned Annual Special Tax B
Zone 1	$4,473.13 per Acre	$6,885.28 per Acre
Zone 2	$3,058.33 per Acre	$4,478.35 per Acre

For each Fiscal Year, commencing with Fiscal Year 2006-07, the Assigned Annual Special Tax per Acre of Acreage for all Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

SECTION E
BACKUP ANNUAL SPECIAL TAX

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax A and Backup Annual Special Tax B. In each Fiscal Year, the Backup Annual Special Tax A and Backup Annual Special Tax B for Developed Property shall be the rate per Lot calculated according to the following formula:

$$BA \text{ or } BB = (ZA \text{ or } ZB \times A) / L$$

The terms above have the following meanings:

BA	=	Backup Annual Special Tax A per Lot for the applicable Fiscal Year
BB	=	Backup Annual Special Tax B per Lot for the applicable Fiscal Year
ZA	=	Assigned Annual Special Tax A per Acre of Undeveloped Property for the applicable Fiscal Year
ZB	=	Assigned Annual Special Tax B per Acre of Undeveloped Property for the applicable Fiscal Year
A	=	Acreage for Taxable Property expected to exist in the applicable Final Subdivision Map as determined by the Board pursuant to Section K
L	=	Number Lots in the Final Subdivision Map

Notwithstanding the foregoing, if the Final Subdivision Map(s) described in the preceding paragraph is subsequently changed or modified, then the Backup Annual Special Tax A and the Backup Annual Special Tax B for each Assessor's Parcel of Developed Property in such Final Subdivision Map area changed or modified shall be a rate per square foot of Acreage calculated as follows:

1. Determine the total Backup Annual Special Tax A and the total Backup Annual Special Tax B revenue anticipated to apply to the changed or modified area of the Final Subdivision Map prior to the change or modification.

2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property of the Final Subdivision Map that is anticipated to be changed or modified, as reasonably determined by the Board.

3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax A per square foot of Acreage and Backup Annual Special Tax B per square foot of Acreage that shall be applicable to Assessor's Parcels of Developed Property in such changed or modified area of the Final Subdivision Map for all remaining Fiscal Years in which the Special Tax may be levied.

SECTION F
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX A

Commencing Fiscal Year 2005-06, and for each subsequent Fiscal Year, the Board shall levy an Annual Special Tax A as follows:

Step One: The Board shall levy an Annual Special Tax A on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax A applicable to each such Assessor's Parcel.

Step Two: If the sum of the amounts to be levied in step one is insufficient to satisfy the Tax A Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax A on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax A applicable to each such Assessor's Parcel to satisfy the Tax A Minimum Annual Special Tax Requirement.

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

SECTION G
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX B

Commencing Fiscal Year 2005-06, and for each subsequent Fiscal Year, the Board shall an levy Annual Special Tax B as follows:

Step One: The Board shall levy an Annual Special Tax B on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax B applicable to each such Assessor's Parcel.

Step Two: If the sum of the amounts to be levied in step one is insufficient to satisfy the Tax B Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax B on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax B applicable to each such Assessor's Parcel to satisfy the Tax B Minimum Annual Special Tax Requirement.

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

SECTION H
PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligations of an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued may be prepaid. However, the Annual Special Tax B obligation of an Assessor's Parcel may be prepaid only after or concurrently with the prepayment of the Annual Special Tax A obligation for such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Annual Special Tax A and Annual Special Tax B obligation, shall provide CFD No. 2005-2 with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Board shall reasonably determine the prepayment amount of such Assessor's Parcel and shall notify such owner of such Prepayment Amount. The Prepayment Amount shall be calculated according to the following formula:

$$AP \text{ or } BP = APVT \text{ or } BPVT - RFC + PAF$$

The terms above have the following meanings:

AP	=	Tax A Prepayment Amount
BP	=	Tax B Prepayment Amount
APVT	=	Tax A Present Value of Taxes
BPVT	=	Tax B Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

SECTION I
PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAX A

The Annual Special Tax A obligation of an Assessor's Parcel may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax A obligation would be prepaid.

1. Partial Prepayment Times and Conditions

Prior to the conveyance of the first production Unit on a Lot within a Final Subdivision Map, the owner of no less than all the Taxable Property within such Final Subdivision Map may elect in writing to the Board to prepay a portion of the Annual Special Tax A obligations for all the Assessor's Parcels within such Final Subdivision Map, as calculated in Section I.2. below. The partial prepayment of each Annual Special Tax A obligation shall be collected for all Assessor's Parcels prior to the conveyance of the first production Unit on a lot within such Final Subdivision Map.

2. **<u>Partial Prepayment Amount</u>**

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = P_G \times F$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
P_G	=	the Prepayment Amount calculated according to Section H
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax A obligation

3. **<u>Partial Prepayment Procedures and Limitations</u>**

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 2005-3 that there has been a partial prepayment of the Annual Special Tax A obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax A obligation and the partial release of the Annual Special Tax A lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax A shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax A and the Backup Annual Special Tax A for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Tax A that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Board. Such determination shall include identifying all Assessor's Parcels that are expected to become Exempt Property.

SECTION J
TERMINATION OF SPECIAL TAX

The Annual Special Tax A and the Annual Special Tax B shall be levied for a term of 35 Fiscal Years after the issuance of the last series of Tax A Bonds or Tax B Bonds, whichever is later, by CFD No. 2005-2, but in no event shall the Annual Special Tax A and Annual Special Tax B be levied later than Fiscal Year 2049-50.

SECTION K
EXEMPTIONS

The Board shall classify property as Exempt Property in the following priority (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels with public utility easements or other restrictions making impractical their utilization for other than the purposes set forth in the easement or restriction, (iii) Assessor's Parcels owned exclusively by a homeowners' association or which the homeowners' association has an easement, (iv) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (vi) Assessor's Parcels for which a building permit(s) was issued on of before May 1 of the prior Fiscal Year for the construction of a commercial or industrial building as reasonably determined by the Board, and provided that no such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

TABLE 6

MINIMUM TAXABLE ACREAGE

Location	Minimum Taxable Acreage
Zone 1	39.95 Acres
Zone 2	19.55 Acres

SECTION L
APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. In order to be considered sufficient, any claim of appeal must: (i) specifically identify the property by address and Assessor's Parcel Number; (ii) state the amount in dispute and whether it is the whole amount or any a portion of the Special Tax; (iii) state all grounds on which the property owner is disputing the amount or application of such Special Tax is incorrect; (iv) include all documentation, if any, in support of the claim; and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. A representative(s) of CFD No. 2005-2 ("Representative") shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the Representative’s decision requires that the Special Tax for an Assessor’s Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Annual Special Tax on that Assessor’s Parcel in the subsequent Fiscal Year(s) as the Representative's decisions shall indicate.

SECTION M
MANNER OF COLLECTION

The Annual Special Tax A and the Annual Special Tax B shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2005-2 may collect Annual Special Tax A and/or Annual Special Tax B at a different time or in a different manner if necessary to meet its financial obligations.

SECTION N
MAP OF ZONES

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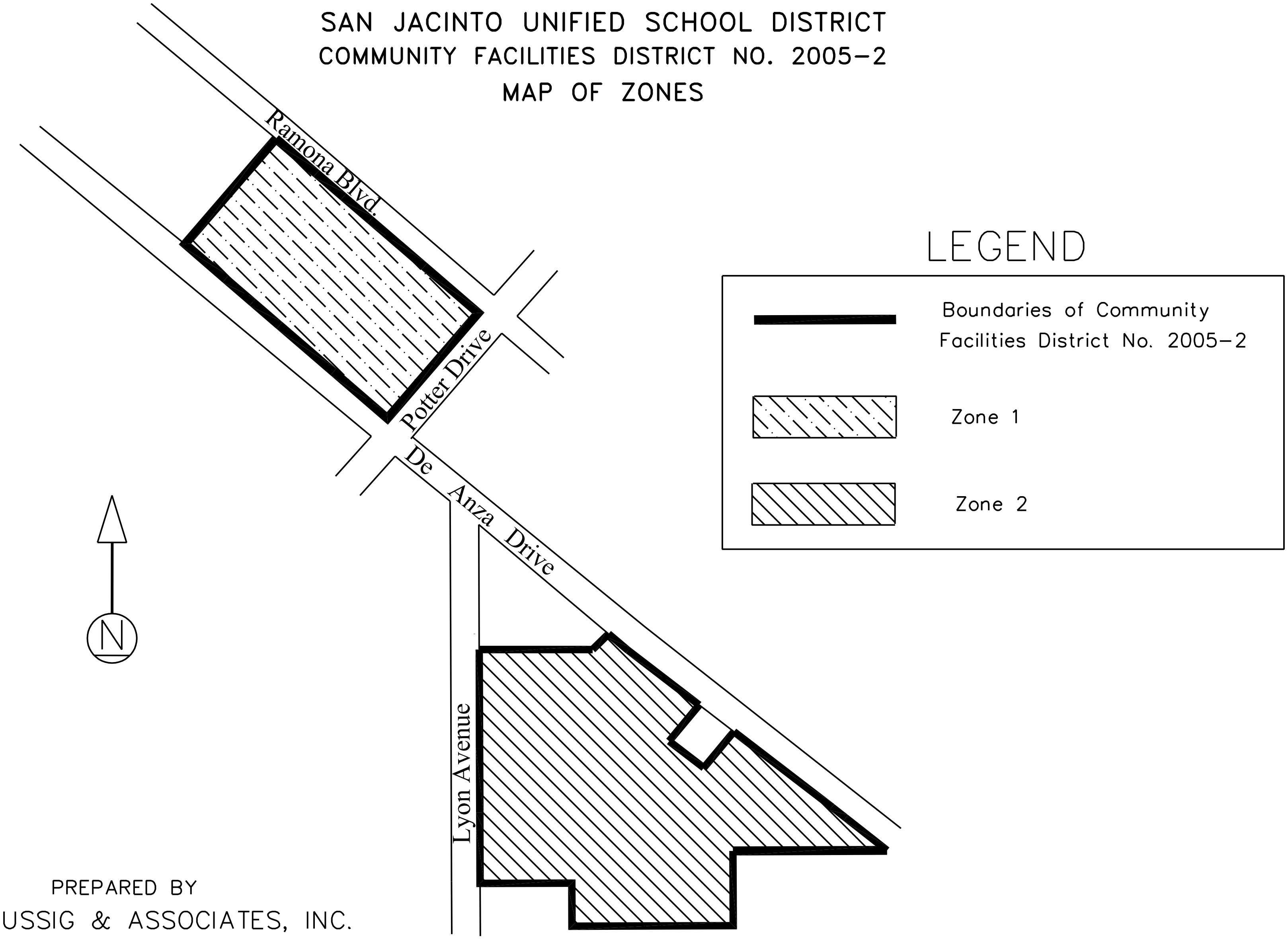
SHEET 1 OF 2

EXHIBIT A

SAN JACINTO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2005-2
MAP OF ZONES



PREPARED BY
DAVID TAUSSIG & ASSOCIATES, INC.

EXHIBIT A
SAN JACINTO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2005-2
ASSESSOR'S PARCELS (PER ZONE)

ZONE 1

431-030-014
431-030-032
431-030-033

ZONE 2

431-050-021
431-060-009
431-060-010
431-060-013
431-060-016
431-060-020
431-060-026

PREPARED BY
DAVID TAUSSIG & ASSOCIATES, INC.

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APPENDIX C

SUMMARY APPRAISAL REPORT

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SUMMARY APPRAISAL REPORT

SAN JACINTO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2005-2
SPECIAL TAX BONDS (INFRASTRUCTURE PROJECTS), SERIES 2013

Prepared for:

SAN JACINTO UNIFIED SCHOOL DISTRICT
2045 S. San Jacinto Avenue
San Jacinto, CA 92583

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Berri Cannon Harris
Harris Realty Appraisal
5100 Birch Street, Suite 200
Newport Beach, CA 92660

September 2013

Harris Realty Appraisal

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September 5, 2013

Mr. Richard De Nava
Assistant Superintendent, Business Services
SAN JACINTO UNIFIED SCHOOL DISTRICT
2045 S. San Jacinto Ave.
San Jacinto, CA 92583

Re: ***Community Facilities District No. 2005-2***
Special Tax Bonds (Infrastructure Projects), Series 2013

Dear Mr. De Nava:

In response to your authorization, we have prepared a summary appraisal report that must be read in conjunction with the prior self-contained appraisal report which had a June 14, 2013 date of value. This summary report has a September 1, 2013 date of value, and will provide sufficient information to state that if the property were to be appraised as of that date, the value would *Not Be Less Than* that reported as of June 14, 2013. The summary appraisal report and the self-contained appraisal report address all of the property within the boundaries of Community Facilities District No. 2005-2 (CFD No. 2005-2). This appraisal includes an estimate of Minimum Market Value of the 88 built and sold dwelling units, subject to the special tax for CFD No. 2005-2. ***It is important to note that only the 88 completed and sold dwelling units were valued in the original appraisal assignment. The Finance Team has requested the appraisers to value only the 88 completed and sold dwelling units within the District. For the remaining 263 lots and dwellings, only the Fiscal Year 2012-13 Assessed Values are reported.***

The original appraisal report included a mass appraisal analysis for the completed and sold dwelling units, which results in a Minimum Market Value for the 88 dwellings. Please review the definitions of Minimum Market Value and Mass Appraisal in the definitions section of this report. According to the specific instruction from the Finance Team, the Fiscal Year 2012-13 Assessed Values were reported for the 263 remaining lots which include 12 built but vacant dwellings, 180 finished lots and 71 lots in a blue-top lot condition.

In the case of this specific assignment, this summary appraisal report is intended to be used in conjunction with the previous self-contained appraisal report. In lieu of revaluing the property with a self-contained appraisal report, this summary appraisal report is intended to provide a *Not Less Than Value* as of September 1, 2013. We have advised the client and the finance team by email that a summary appraisal report will be prepared to provide a *Not Less Than Value*. Our client, the San Jacinto Unified School District, its financial advisor and underwriter have agreed that a summary appraisal report is sufficient.

This summary appraisal report will briefly address significant conditions that have occurred since the original date of value, June 14, 2013. This report is intended to include sufficient information to conclude that if the property were to be revalued as of September 1, 2013, the value would *Not Be Less Than* the value estimate as of June 14, 2013.

Client and Intended Users of the Report

This report was prepared for our client, San Jacinto Unified School District. The intended users of the report include the District, its counsel, underwriter, financial advisor, consultants, and potential bond purchasers.

Purpose of the Report

The purpose of this summary appraisal report is to re-analyze the market, subject property and site construction within the subject CFD that has occurred since the original report dated June 14, 2013. This report is intended to determine if the property were to be re-appraised as of September 1, 2013, the value estimate for Community Facilities District No. 2005-2 (CFD No. 2005-2) would have a *Not Less Than Value* of the Minimum Market Value estimate included in the self-contained appraisal report as of June 14, 2013. The opinions set forth are subject to the assumptions and limiting conditions and the specific appraisal guidelines as set forth by CDIAC.

Function of the Report and Intended Use

It is our understanding that this appraisal report is to be used for Community Facilities District bond financing purposes only. The subject property is described more particularly within this report. The bonds are issued pursuant to the Mello-Roos Community Facilities District Act of 1982, as amended. The maximum authorized bonded indebtedness for CFD No. 2005-2, is $14,800,000.

Scope of the Assignment

The scope of this assignment encompasses the necessary research and analysis required for the intended use. This *Not Less Than Value* summary report analyzes conditions that have changed since the date of value of the self-contained appraisal report. Generally, this summary appraisal report involved a review of current economic conditions, a review of sales activity in the subject's market area, site construction, building construction and home sales activity since last reported, and arriving at a *Not Less Than Value* conclusion.

Date of *Not Less Than Value*

The opinion of *Not Less Than Value* expressed in this report is stated as of September 1, 2013.

Date of Report

The date of the summary appraisal report is September 5, 2012.

Date of Inspection

The subject property was inspected on several occasions, with the most recent on September 5, 2013.

Property Rights Appraised

The property rights appraised are those of the *fee simple estate subject to special tax and special assessment liens* of the real estate described herein.

Property Identification and General Condition of the Lots/Dwellings

The subject property is located in the City of San Jacinto in Riverside County. According to the Community Facilities District Report dated May 24, 2005, prepared by David Taussig & Associates, Inc., the District consists of two noncontiguous properties consisting of 102.43 gross acres divided into Zone 1 and Zone 2. Zone 1 is approximately 72.72 gross acres and is located along Potter Road between Ramona Boulevard and De Anza Drive. Zone 2 is approximately 29.71 gross acres and is located between De Anza Drive and Lyon Avenue. The District is proposed for a total of 351 single family detached dwellings. The District is further identified as Lots 1 through 88 of Tract Map No. 31154, Lots 1 through 71 of Tract Map No. 31037, Lots 1 through 93 of Tract Map No. 31037-1, Lots 1 through 27 of Tract Map No. 31037-2 and Lots 1 through 72 of Tract Map No. 31037-3. Zone 1 includes Tracts 31037, 31037-1, 31037-2 and 31037-3. Zone 2 includes Tract 31154.

As of the original date of value the property was improved with 88 single-family detached dwelling units, of which one has fire damage and is not currently occupied. Remediation efforts appeared to be in process as of the original inspection date, June 6, 2013. As of the current inspection date, September 5, 2013, remediation work has been in process and appears to be nearing completion. Windows are installed and it appears exterior paint will be completed soon. The front landscape is in process and sod is being planted as of the current date of inspection.

An additional 12 dwelling units had been improved, based on an exterior inspection of the dwellings only, but have not been sold to individual homeowners and were not occupied as of the original date of value. Based on a search of the public records, the 12 dwellings units, along with the 46 physically finished lot, all under the ownership of 88 Jacinto LLC, were sold on July 8, 2013 to SFR Investments SoCal-G, LLC for $2,425,000. On that same date, the 46 vacant lots resold to Citivest Inc., a related entity to SFR Investments SoCal-G. The 12 built dwellings were retained under the ownership of SFR Investments SoCal-G, LLC. Physical inspection of the 12 dwellings on September 5, 2013 indicated no change in physical condition since the original inspection date. However, the four homes previously used as model homes, appear to be in the process of being rehabbed. Physical inspection of the homes disclosed workmen that appeared to be cleaning and completing minor repairs on the four dwellings.

As of the original date of value, an additional 180 lots were in a physically finished lot condition with 19 of the lots improved with slabs. As of September 5, 2013, the physical condition of these lots was unchanged. A portion of the District was not accessible to the appraisers to inspect as of the original date of inspection. Based on limited access at that time, it appeared that 71 lots were in a blue-top lot condition. The owners of the 71 lots reported that wet utilities were installed. As of the current date of inspection, the appraisers were able to inspect the lots with better access, although still limited. The appraisers have verified that the 71 lots are improved with wet utilities. In addition, the lots along Misty Meadow are in physically finished lot condition. The remaining lots are blue-topped.

Legal Description and Ownership

The District includes 88 individual home ownerships. Two dwelling units have transferred from the ownership listed in the Addenda of the original appraisal report. Both sales occurred on July 30, 2013. In addition, there are 12 built, but vacant, dwellings and 180 physically finished lots. The 12 dwelling units are under the ownership of SFR Investments SoCal-G, LLC (previously under the ownership of 888 Jacinto, LLC); Forty-six physically finished lots are now under the ownership of Citivest Inc. (previously under the ownership of 888 Jacinto, LLC); 46 physically finished lots are under the ownership of 46 Almaden San Jacinto, LLC and 159 lots in blue-top lot to physically finished lot condition are under the ownership of CADO San Jacinto LLC. Please refer to the Addenda of the original appraisal report under Ownership for a lot by lot summary of the 351 lots/dwellings within CFD No. 2005-2. The two resales that occurred between the original date of value and the updated date of value include Lot 1 of Tract 31037-3, from Earnest J. Kirby to Michael L. Lopez and Lot 81 of Tract 31037-1, from Robin L. Liles-Tellez to Juan Ramon and Araceli Lopez Mejia. Please refer to the following page which summarizes the condition of the lots, legal descriptions and ownerships as of the current date of value, September 1, 2013.

Definitions

Market Value[1]

The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(a) Buyer and seller are typically motivated.
(b) Both parties are well informed or well advised, and each acting in what he considers his own best interest.

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[1] Part 563, subsection 563.17-1a(b)(2), Subchapter D, Chapter V, Title 12, Code of Federal Regulations.

Legal Description, Ownership and Site Condition

Tract	Ownership Lot Nos.	No. Lots	Site Condition (September 5, 2013)
88 Individual Homeowners (See Addenda)			
31154	4-13, 40-44, 46-55, 68-71, 76-83 & 85-88	41	Completed, Sold and Occupied Homes
31037-1	33-42, 44-47, 72-81 & 90-93	28	Completed, Sold and Occupied Homes
31037-2	7-10	4	Completed, Sold and Occupied Homes
31037-3	1, 60-72	14	Completed, Sold and Occupied Homes
31154	84	1	Completed, Sold, Previously Fire Damaged, Remediation nearly complete, Vacant
		88	**Total Sold Dwellings**
SFR Investments SoCal-G, LLC			
31037-3	2-6, 32-35 & 57-59	12	Built, Vacant, Clean-up in process 4 Dwellings
Citivest Inc.			
31037-3	7-31, 36-56	46	Physically Finished Lots
		58	
46 Almaden San Jacinto, LLC			
31154	1-3, 14-26, 29-39, 45, 56-67 & 72	41	Physically Finished Lots
31154	27, 28 & 73-75	5	Physically Finished Lots/Slabs
		46	
CADO San Jacinto, LLC			
31037-1	16-27, 43, 48-68	34	Physically Finished Lots
31037-2	1-6, 11-27	23	Physically Finished Lots
31037-1	1-15	15	Physically Finished Lots/Retention Basin
31037-1	28-32, 69-71& 82-89	16	Physically Finished Lots/Slabs
31037	1-71	71	Limited access, Physically Finished Lots to Blue-Top with Wet Utilities Installed
		159	
TOTAL UNITS/LOTS:		**351**	

Zone 1 includes TR 31037, 31037-1, 31037-2 & 31037-3. Zone 2 includes TR 31154.

(c) A reasonable time is allowed for exposure in the open market.
(d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
(e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Minimum Market Value
It may be appropriate for projects that have built-out and occupied product to use mass appraisal techniques. When conforming groups of property types within the same CFD are built and have achieved a stabilized occupancy, appraisers may use a limited valuation analysis to value a sampling of similar properties. In this analysis, the overall average sales price per square foot is compared for each year. A conservative estimate of value per square foot is used in estimating Minimum Market Value for the 88 built dwellings within CFD No. 2005-2.

Mass Appraisal
When a tract or project is built-out and absorbed, the appraiser may use an aggregate value estimate based upon *conservative per dwelling unit estimates*. It is implicit in mass appraisal that some individual value conclusions will not meet standards of reasonableness, consistency and accuracy. *However, appraisers engaged in mass appraisal have a professional responsibility to ensure that,* ***on an overall basis****, the value conclusions meet attainable standards of accuracy.* The appraisers have used an average conservative value for the average size unit within the District. By utilizing average value estimates, individual home values could be higher or lower, depending on unit size. However, on an overall basis, the value conclusions are reasonable and meet attainable standards of accuracy.

Fee Simple Estate[2]
Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

Fee Simple Estate Subject to Special Tax and Special Assessment Liens
Empirical evidence (and common sense) suggests that the selling prices of properties encumbered by such liens are discounted compared to properties

[2] *The Dictionary of Real Estate Appraisal*, Third Edition, published by The Appraisal Institute, 1993, Page 140

free and clear of such liens. In new development projects, annual special tax and/or special assessment payments can be substantial, and prospective buyers take this added tax burden into account when formulating their bid prices. Taxes, including special taxes, are legally distinct from assessments.

The Minimum Market Value included herein, reflects the value potential buyers would consider given the special tax lien of Community Facilities District No. 2005-2.

Retail Value
Retail value should be estimated for all fully improved and sold properties. Retail value is an estimate of what an end user would pay for a finished property under the conditions requisite to a fair sale.

Blue-Top Graded Parcel
Blue-top graded parcel includes streets cut and padded lots with utilities stubbed to the parcel and perimeter streets completed.

Finished Site[3]
Land that is improved so that it is ready to be used for a specific purpose. (Improvements include padded lot, streets and utilities to the lot, and all fees required to issue a building permit paid.)

Extraordinary Assumptions,
Assumptions and Limiting Conditions

The analyses and opinions set forth in this report are subject to the same contingencies, assumptions and limiting conditions set forth in the self-contained appraisal report on pages 9 through 13.

Standards Rule ("S.R.") 2-1(c) of the "Standards of Professional Appraisal Practice" of the Appraisal Foundation requires the appraiser to "clearly and accurately disclose any extraordinary assumption or limiting condition that directly affects an appraisal analysis, opinion, or conclusion." In compliance with S.R. 2-1(c) and to assist the reader in interpreting the report, the following contingencies, assumptions and limiting conditions are set forth as follows:

Extraordinary Assumptions of the Appraisal
The opinions of value rely on the information provided by the District's Special Tax Consultant, which we have assumed to accurately identify the properties within CFD No. 2005-2. It is a specific assumption of this

[3] Ibid, Page 334

appraisal that the appraisers have been provided with a summary of all the parcels subject to special tax within the CFD.

The opinions of values expressed in this report do not apply to any specific dwelling unit.

Assumptions and Limiting Conditions of the Appraisal
This is a summary appraisal report intended to be used in conjunction with the self-contained appraisal report dated June 17, 2013 with a date of value of June 14, 2013.

Consent is hereby given for this report, in its entirety, to be published in the Preliminary Official Statement and Official Statement along with the self-contained appraisal report in conjunction with the funding of bonds for CFD No. 2005-2 for the San Jacinto Unified School District.

Highest and Best Use

The term *highest and best use* is an appraisal concept which has been defined as follows: The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.[4]

Please refer to pages 43 through 53 in the self-contained appraisal report, which describe, in detail, the process of determining the highest and best use of the property. There have not been any significant changes to the conclusions reached in the Highest and Best Use section of the self-contained appraisal report. Since the original date of value, June 14, 2013, the Riverside County residential market has continued to show consistent sales with moderating increasing prices. The past 2 1/2 months have been similar to the improving market experienced since mid-2012.

According to DataQuick, Riverside County's July 2013 home sales increased 14.9% compared to July 2012. Riverside County median home price in July 2013 rose 25.9% to $265,000 from July 2012. Most economists are forecasting that sales rates and sales prices will stabilize or continue to improve.

According to Metrostudy, the median price of a new single family home in Riverside County increased 7.4% between Q2 2012 and Q2 2013. The Q2 2013 median price of a new detached home in Riverside County is reported to be $333,000.

[4] *The Dictionary of Real Estate Appraisal*, 4th Edition, Pub. by the Appraisal Institute, Chicago, IL., p. 135.

The rate of sales in Riverside County increased 33.9% between Q2 2012 and Q2 2013 to 991 sales, according to Metrostudy. This is the fifth quarter of increasing sales since the fourth quarter of 2009. These are the only quarters of increasing sales since the second quarter of 2005. We are of the opinion that the housing market will continue improving in Riverside County in 2013 and into 2014, but at a more moderate rate than what has been experienced over the past 12± months.

The District is situated in the Central submarket region which includes the cities and communities of San Jacinto, Menifee, Menifee Valley, Hemet, Homeland, Nuevo, Perris, Quail Valley, Romoland, Sun City and Winchester. The Central submarket region accounted for 158 detached sales during the second quarter of 2013, or a 15.9% market share of the Riverside County market. This sales rate is up 41.1% from the second quarter 2012 sales rate. Another indication of the improving market is that for the second quarter of 2012, the Central submarket had average monthly sales per project of 2.6 units. During the second quarter of 2013, the average sales rate per project was 3.7 units per month. The median sales price in the Central submarket has increased over the past year to $271,200, a 9.9% increase. The median price for the Central submarket is about 33% below the submarket peak of $405,272 in the third quarter of 2006. It is one of two most affordable submarket in Riverside County with a median price per square foot of $140.00. The price per square foot in the subject's submarket increased by 8.9%, and the median size of a detached home decreased by 1.4% since the second quarter of 2012.

Within the Central submarket there are 80 active projects, which is 5 less than last year at this time. The subject's market area reports 226 unsold standing (built, but unsold, including model homes) inventory units and 389 unsold units under construction. This is an 11.9 month absorption time for the 615 completed dwellings and units under construction. One year ago total inventory was at 560 units, and the absorption time based on last year's sales rate was 14.7 months. While total inventory increased from one year ago, absorption time decreased 19.0% or 2.8 months.

Feasibility

The financial feasibility of the development of the subject property is based on its ability to generate sufficient income and value in excess of the costs to develop the property to its highest and best use. Please refer to the Valuation sections of the original appraisal report found on pages 56 through 59, which give support to the financial feasibility of the existing 88 built and sold dwelling units within CFD No. 2005-2. As previously discussed, only the 88 completed and sold dwelling units are valued in this appraisal assignment.

San Jacinto Unified School District
Comparable Residential Project Summary
Detached Single Family Homes
September 5, 2013

No.	Project Location	Units	Lot Size	Price Range	Size Range	$/Sq. Ft. Range	No. Sold Start Dt.	Overall Mo. Abs.
				Last Base Sales Prices				
1	**Edgewood**	138	6,000	$189,990	1,394	$136.29	137	2.8
	KB Home			$196,990	1,581	$124.60	Aug-09	
	San Jacinto			$205,990	1,895	$108.70		
				$215,990	2,233	$96.73		
				$228,990	2,616	$87.53		
2	**Sagecrest**	108	7,000	$220,990	1,721	$128.41	62	3.5
	Woodside Homes			$230,990	1,953	$118.27	Mar-12	
	Hemet			$240,990	2,376	$101.43		
				$260,990	2,683	$97.28		
3	**Sequoia at Monument Park**	85	7,000	$284,990	2,644	$107.79	14	7.9
	KB Home			$296,990	2,604	$114.05	Jul-13	
	Perris			$301,990	2,783	$108.51		
				$312,990	3,085	$101.46		
4	**Acacia**	71	7,000	$279,990	2,644	$105.90	57	3.3
	Richmond American Homes			$301,990	2,491	$121.23	Apr-12	
	Beaumont			$290,990	3,059	$95.13		
				$312,990	3,050	$102.62		
				$325,990	3,464	$94.11		
5	**Living Smart**	163	6,500	$230,990	1,721	$134.22	46	9.7
	Pardee Homes			$270,990	1,900	$142.63	Apr-13	
	Beaumont			N/A	1,945	N/A		
				$277,950	2,030	$136.92		
				$287,315	2,315	$124.11		
				$298,990	2,664	$112.23		
				$322,855	3,099	$104.18		

As discussed in the original report, sales have increased significantly along with increases in sales prices between phase releases. Based on our current interviews with sales personnel in the subject's market, sales have continued at an acceptable rate over the past three months. Please refer to the updated absorption table on the next page. Most economists are predicting a continued return to a more balanced and normal market during 2014. There continues to be a lack of product in the subject's market area. According to local brokers and sales agents in the area, there is significant demand for product.

As of the date of the original report, there was one current listing in the District. The dwelling was reported to be 3,157 square feet with a listing price of $225,000. The dwelling reportedly was highly upgraded. The sales agent for the listing said it was previously in escrow for the listed price but fell out of escrow. The dwelling was reportedly back in escrow above the previous listing price due to June 2013 market conditions. This was a market driven listing, not a short sale or foreclosure. A review of sales activity since June, indicates that this sale did close escrow on July 30, 2013 for $232,000, which was above the reported escrow price back in June. Based on the appraiser's search of the public records, one other dwelling had sold in the District since the original report.

Not Less Than Value

As discussed in the original report, there are 88 completed dwelling units which sold to individual homeowners between 2006 and 2009. Resales continued to occur to the present time. Between the June 14, 2013 date of value and the current date of value the appraisers uncovered two additional sales in the District. Physical inspection of the District indicated one active listing as of the June 14, 2013 date of value, that closed on July 30, 2013. The sales price was reported to be $232,000, which indicated a price per square foot of $73.49 for the 3,157 square foot dwelling. The other sale also closed on July 30, 2013 for $199,000. The dwelling unit was 2,676 square feet in size, which indicates a price paid per square foot of $74.36.

For the valuation of the built and sold dwellings, the appraisers utilized a mass appraisal technique. When implementing a mass appraisal, conservative estimates are to be used in the valuation. It is implicit in mass appraisal that some individual value conclusions will not meet standards of reasonableness, consistency and accuracy. *However, appraisers engaged in mass appraisal have a professional responsibility to ensure that,* ***on an overall basis****, the value conclusions meet attainable standards of accuracy.* The appraisers used an average conservative value for the average size unit of the 88 dwellings. By utilizing average value estimates, individual home values could be higher or lower, depending on unit size. However, on an overall basis, the value conclusions are reasonable and meet attainable standards of accuracy.

As discussed in our original appraisal, the data was sorted by date of sale. Given the state of the residential market during the sales of the subject property, it would be reasonable to assume that the older sales would indicate a higher price per square foot than the more recent sales between 2006 and 2010. Sales that occurred during 2010 and 2011 showed a stabilizing in price for sales within the District. This was consistent with Riverside County and other areas of southern California, when the economy began its mild recovery from the recent recession. Sales during 2012 showed an increase in price which continued in the first five months of 2013. The indicated average price per square foot for 2012 and 2013 was $64.69 and $67.70 respectively. The two sales in July 2013 indicated a price per square foot around $74.00. Based on physical inspection of the District as of September 5, 2013, there were no current listings. As of the original date of value, the appraisers concluded at a conservation price per square foot of $65.00. Based on the two recent sales in the District, the lack of listings, and our knowledge of the residential market in the subject's area as well as the market in general, it is the appraisers opinion that the value of $65.00 per square foot for an average size unit of 2,698 square feet is supported as of the current date of value, September 1, 2013.

The built and sold dwelling damaged by fire is located on Lot 84 of Tract 31154 in Zone 2. The unit is 2,993 square feet in size. The appraisers were not able to inspect the interior of the dwelling unit. However, as of the original report, a building inspector at the City of San Jacinto reported that remediation efforts were underway. Based on the September 5, 2013 inspection of the dwelling unit, remediation work appeared to be near completion. Based on the exterior remediation it appears that occupancy could occur within 30 days of our date of inspection. As of June 14, 2013, the appraisers conservatively estimated the dwelling to be 60% complete. The current estimate of completion would be closer to 85% to 90% complete.

According to the guidelines of the appraisal assignment the estimated Minimum Market Value for each Zone as of June 14, 2013 was, Zone 1 of CFD No. 2005-2 was calculated: 2,796 square feet X $65.00 per square foot X 46 dwelling units = $8,360,040, rounded to $8,360,000; Zone 2 of CFD No. 2005-2 was calculated: 2,588 square feet X $65.00 per square foot X 41 dwelling units = $6,897,020 + $116,727 (fire damaged dwelling) = $7,013,747, rounded to $7,015,000.

Value Conclusion

The total estimated Minimum Market Value for the 88 built and sold dwelling units was $15,375,000 as of June 14, 2013. Based on the current sales activity in the subject's market place, along with local and national economic forecasts, if the District were to be reappraised as of September 1, 2013, the District would have a value that was *Not Less Than* the June 14, 2013 value of $15,375,000.

Based on the investigation and analyses undertaken, our experience as real estate appraisers, and subject to all the premises, assumptions and limiting conditions set forth in this report and the Self-Contained Appraisal Report dated June 14, 2013, the subject property has a *Not Less Than Value* of $15,375,000 as of September 1, 2013.

Reporting of Assessed Values – 263 Lots/Dwellings

As previously discussed, the Finance Team has requested the appraisers to provide a Minimum Market Value for the 88 built and sold dwellings and the report the Assessed Value only for the remaining lots and dwellings within CFD No. 2005-2. As indicated, the total Fiscal Year 2012-13 Assessed Value for the 263 lots and dwellings is $4,761,157. The total Fiscal Year 2012-13 Assessed Value for the 46 lots and 12 dwellings under the ownership of 888 Jacinto, LLC is $2,342,258. As previously mention in this report, the 46 lots and 12 dwelling units sold for $2,425,000 on July 8, 2013, similar to the Assessed Values. The total Fiscal Year 2012-13 Assessed Value for the 46 lots under the ownership of 46 Almaden San Jacinto, LLC is $436,678. And the total Fiscal Year 2012-13 Assessed Value for the 159 lots under the ownership of CADO San Jacinto LLC is $1,982,221.

Zone 1 has an indicated Assessed Value for 205 lots and 12 near complete dwellings is $4,324,479. The indicated Assessed Value for the 46 lots within Zone 2 is $436,678.

Certification

We hereby certify that during the completion of this assignment, we personally inspected the property that is the subject of this appraisal and that, except as specifically noted:

> We have no present or contemplated future interest in the real estate or personal interest or bias with respect to the subject matter or the parties involved in this appraisal.
>
> We have not provided appraisal services regarding the subject property within the last three years to our client, San Jacinto Unified School District, other than the original appraisal report with a June 14, 2013 date of value.
>
> To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
>
> Our engagement in this assignment was not contingent upon developing or reporting predetermined results. The compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the

cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

As of the date of this report, James B. Harris has completed the requirements of the continuing education program of the Appraisal Institute.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.

No one provided significant real property appraisal assistance to the persons signing this certificate.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. In furtherance of the aims of the Appraisal Institute to develop higher standards of professional performance by its Members, we may be required to submit to authorized committees of the Appraisal Institute copies of this appraisal and any subsequent changes or modifications thereof.

Respectfully submitted,

Berri Cannon Harris

Berri Cannon Harris
Principal
AG009147

James B Harris

James B. Harris, MAI
Principal
AG001846

ADDENDA

QUALIFICATIONS

HARRIS REALTY APPRAISAL

5100 Birch Street, Suite 200
Newport Beach, CA 92660
(949) 851-1227

QUALIFICATIONS
OF
JAMES B. HARRIS, MAI

PROFESSIONAL BACKGROUND

Actively engaged as a real estate analyst and consulting appraiser since 1971. President and Principal of **Harris Realty Appraisal,** with offices at:

5100 Birch Street, Suite 200
Newport Beach, California 92660

Before forming Harris Realty Appraisal, in 1982, was employed with Real Estate Analysts of Newport, Inc. (REAN) as a Principal and Vice President. Prior to employment with REAN was employed with the Bank of America as the Assistant Urban Appraisal Supervisor. Previously, was employed by the Verne Cox Company as a real estate appraiser.

PROFESSIONAL ORGANIZATIONS

Member of the Appraisal Institute, with MAI designation No. 6508

- Director, Southern California Chapter – 1998, 1999
- Chair, Orange County Branch, Southern California Chapter -1997
- Vice-Chair, Orange County Branch, Southern California Chapter - 1996
- Member, Region VII Regional Governing Committee - 1991 to 1995, 1997, 1998
- Member, Southern California Chapter Executive Committee - 1990, 1997 to 1999
- Chairman, Southern California Chapter Seminar Committee - 1991
- Chairman, Southern California Chapter Workshop Committee - 1990
- Member, Southern California Chapter Admissions Committee - 1983 to 1989
- Member, Regional Standards of Professional Practice Committee -1985 - 1997

Member of the International Right-of-Way Association, Orange County Chapter 67.

California State Certified Appraiser, Number AG001846

EDUCATIONAL ACTIVITIES

B.S., California State Polytechnic University, Pomona, 1972.

Successfully completed the following courses sponsored by the Appraisal Institute and the Right-of-Way Association:

Course I-A	Principles of Real Estate Appraisal
Course I-B	Capitalization Theory
Course II	Urban Properties
Course IV	Litigation Valuation
Course VI	Investment Analysis
Course VIII	Single-Family Residential Appraisal
Course SPP	Standards of Professional Practice
Course 401	Appraisal of Partial Acquisitions

Has attended numerous seminars sponsored by the Appraisal Institute and the International Right-of-Way Association.

TEACHING AND LECTURING ACTIVITIES

Seminars and lectures presented to the Appraisal Institute, the University of California-Irvine, UCLA, California Debt and Investment Advisory Commission, Stone & Youngberg and the National Federation of Municipal Analysts.

MISCELLANEOUS

Member of the Advisory Panel to the California Debt and Investment Advisory Commission, regarding Appraisal Standards for Land Secured Financing (March 2003 through June 2004)

LEGAL EXPERIENCE

Testified as an expert witness in the Superior Court of the County of Los Angeles and the County of San Bernardino and in the Federal Bankruptcy Courts five times concerning the issues of Eminent Domain, Bankruptcy, and Specific Performance. He has been deposed numerous times concerning these and other issues. This legal experience has been for both Plaintiff and Respondent clients. He has prepared numerous appraisals for submission to the IRS, without having values overturned. He has worked closely with numerous Bond Counsel in the completion of 175 Land Secured Municipal Bond Financing appraisals over the last five years.

SCOPE OF EXPERIENCE

Feasibility and Consultive Studies

Feasibility and market analyses, including the use of computer-based economic models for both land developments and investment properties such as shopping centers, industrial parks, mobile home parks, condominium projects, hotels, and residential projects.

Appraisal Projects

Has completed all types of appraisal assignments from San Diego to San Francisco, California. Also has completed out-of-state appraisal assignments in Arizona, Florida, Georgia, Hawaii, Nevada, New Jersey, Oklahoma, Oregon, and Washington.

Residential

Residential subdivisions, condominiums, planned unit developments, mobile home parks, apartment houses, and single-family residences.

Commercial

Office buildings, hotels, motels, retail store buildings, restaurants, power shopping centers, neighborhood shopping centers, and convenience shopping centers.

Industrial

Multi-tenant industrial parks, warehouses, manufacturing plants, and research and development facilities.

Vacant Land

Community Facilities Districts, Assessment Districts, master planned communities, residential, commercial and industrial sites; full and partial takings for public acquisitions.

QUALIFICATIONS
OF
BERRI CANNON HARRIS

PROFESSIONAL BACKGROUND

Actively engaged as a real estate appraiser since 1982. Principal of ***Harris Realty Appraisal***, with offices at:

5100 Birch Street, Suite 200
Newport Beach, California 92660

Before joining Harris Realty Appraisal was employed with Interstate Appraisal Corporation as Assistant Vice President. Prior to employment with Interstate Appraisal was employed with Real Estate Analysts of Newport Beach as a Research Assistant.

PROFESSIONAL ORGANIZATIONS

Appraisal Institute
- Co-Chair, Southern California Chapter Hospitality Committee - 1994 - 1998
- Chair, Southern California Chapter Research Committee - 1992, 1993

Commercial Real Estate Women (CREW) – Orange County Chapter
- Chair, Special Events – 1998 - 2003
- Second Vice-President - 1996, 1997
- Treasurer - 1993, 1994, 1995
- Chair, Network Luncheon Committee - 1991, 1992

California State Certified Appraiser, Number AG009147

EDUCATIONAL ACTIVITIES

B.S., University of Redlands, Redlands, California

Successfully completed the following courses sponsored by the Appraisal Institute:

- Principles of Real Estate Appraisal
- Basic Valuation Procedures
- Capitalization Theory and Techniques - A
- Capitalization Theory and Techniques - B
- Report Writing and Valuation Analyses
- Standards of Professional Practice
- Case Studies in Real Estate Valuation

Has attended numerous seminars sponsored by the Appraisal Institute. Has also attended real estate related courses through University of California-Irvine.

LECTURING ACTIVITIES

Seminars and lectures presented to UCLA, California Debt and Investment Advisory Commission, and Stone & Youngberg.

MISCELLANEOUS

Member of the Advisory Panel to the California Debt and Investment Advisory Commission, regarding Appraisal Standards for Land Secured Financing (March 2003 through June 2004)

SCOPE OF EXPERIENCE

Appraisal Projects

Has completed all types of appraisal assignments from San Diego to San Francisco, California. Also has completed out-of-state appraisal assignments in Arizona and Hawaii.

Residential

Residential subdivisions, condominiums, planned unit developments, mobile home parks, apartment houses, and single-family residences.

Commercial

Office buildings, retail store buildings, restaurants, neighborhood-shopping centers, strip retail centers.

Industrial

Multi-tenant industrial parks, warehouses, manufacturing plants, and research and development facilities.

Vacant Land

Residential sites, commercial sites, industrial sites, large multi-unit housing, master planned unit developments, and agricultural acreage. Specializing in Community Facilities District and Assessment District appraisal assignments.

PARTIAL LIST OF CLIENTS

Lending Institutions

Bank of America
Bank One
Commerce Bank
Downey S&L Assoc.
Fremont Investment and Loan
First Los Angeles Bank
Institutional Housing Partners
NationsBank
Preferred Bank
Santa Monica Bank
Tokai Bank
Union Bank
Universal S&L Assoc.
Wells Fargo Bank

Public Agencies

Army Corps of Engineers
California State University
Caltrans
City of Aliso Viejo
City of Beaumont
City of Corona
City of Costa Mesa
City of Encinitas
City of Fontana
City of Fullerton
City of Hemet
City of Hesperia
City of Honolulu
City of Huntington Beach
City of Indian Wells
City of Irvine
City of Lake Elsinore
City of Loma Linda
City of Los Angeles
City of Moreno Valley
City of Newport Beach
City of Oceanside
City of Palm Springs
City of Perris
City of Riverside
City of San Marcos
City of Tustin
City of Victorville
County of Orange
County of Riverside
County of San Bernardino
Eastern Municipal Water District
Orange County Sheriff's Department
Ramona Municipal Water District
Rancho Santa Fe Comm. Services District
Capistrano Unified School District
Hemet Unified School District
Hesperia Unified School District
Romoland School District
Saddleback Valley Unified School District
Santa Ana Unified School District
Val Verde Unified School District
Yucaipa-Calimesa Unified School District

Law Firms

Arter & Hadden
Bronson, Bronson & McKinnon
Bryan, Cave, McPheeters & McRoberts
Richard Clements
Cox, Castle, Nicholson
Gibson, Dunn & Crutcher
Hill, Farrer & Burrill
McClintock, Weston, Benshoof, Rochefort & MacCuish
Palmiri, Tyler, Wiener, Wilhelm, & Waldron
Sonnenschein Nath & Rosenthal
Strauss & Troy
Wyman, Bautzer, Rothman, Kuchel & Silbert

DWELLING SALES BY YEAR

San Jacinto USD

CFD NO. 2005-2

Summary of Sales by Year

APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-241-008	31154	87	Built/Occupied	Tena Louise Blair	1,958	$326,500	$166.75	9/15/2006	686431	10,890	2006
436-241-009	31154	88	Built/Occupied	Lorenzo Cobian	2,538	$347,500	$136.92	9/22/2006	702063	10,890	2006
436-051-001	31037-1	41	Built/Occupied	Vincent P & Maryann H Balajadia	2,414	$366,500	$151.82	10/18/2006	766132	7,405	2006
436-052-048	31037-1	91	Built/Occupied	John & Rita Koran	2,571	$364,000	$141.58	10/18/2006	766131	7,405	2006
436-240-019	31154	68	Built/Occupied	Miguel & Bernardina Rodriguez	2,538	$362,500	$142.83	10/25/2006	785238	12,197	2006
436-060-013	31037-1	34	Built/Occupied	Angel Ruiz	2,414	$359,500	$148.92	10/26/2006	788249	7,841	2006
436-060-014	31037-1	35	Built/Occupied	Brad Wilcox	2,571	$369,000	$143.52	11/7/2006	819434	7,405	2006
436-240-022	31154	71	Built/Occupied	Earl & Delores Barber	2,993	$438,000	$146.34	11/30/2006	878684	12,197	2006
436-052-003	31037-1	46	Built/Occupied	Jose A Montes	2,571	$370,500	$144.11	12/12/2006	909726	7,405	2006
436-232-013	31154	42	Built/Occupied	Billy White	2,993	$399,000	$133.31	12/29/2006	955785	8,712	2006
		10			**2,556**	**$370,300**	**$144.87**				
436-052-049	31037-1	92	Built/Occupied	Marcos & Maria Rodriguez	3,157	$374,000	$118.47	1/5/2007	12849	7,841	2006
436-052-033	31037-1	76	Built/Occupied	Richard D & Cynthia A Johnston	3,157	$430,500	$136.36	4/18/2007	259723	10,019	2007
436-231-008	31154	11	Built/Occupied	Debra Celeste Robinson	1,958	$329,500	$168.28	5/25/2007	348287	8,276	2006
436-052-029	31037-1	72	Built/Occupied	Andrew M & Irene M Seitl	2,571	$335,000	$130.30	7/5/2007	437973	7,841	2007
436-052-035	31037-1	78	Built/Occupied	Enrique & Veronica A Batiz	3,157	$367,000	$116.25	8/9/2007	515370	9,148	2007
436-061-042	31037-3	62	Built/Occupied	Richard & Rachael Tovar	3,331	$476,500	$143.05	8/9/2007	515364	8,276	2007
436-061-048	31037-3	68	Built/Occupied	Armando V & Leticia C Sanchez	3,112	$405,000	$130.14	8/10/2007	517961	10,019	2007
436-052-032	31037-1	75	Built/Occupied	Jorge Michel	2,414	$340,000	$140.85	8/22/2007	540112	8,712	2007
436-052-031	31037-1	74	Built/Occupied	Ubaldo Cadena	3,157	$357,500	$113.24	9/6/2007	568841	7,405	2007
436-061-050	31037-3	70	Built/Occupied	Elsa C & Martin Escamilla	3,331	$357,500	$107.33	11/9/2007	685251	7,841	2007
		10			**2,935**	**$377,250**	**$128.56**				
436-230-006	31154	79	Built/Occupied	Stephanie E Shenah	2,993	$340,000	$113.60	1/3/2008	2548	11,761	2007
436-061-040	31037-3	60	Built/Occupied	Kimberly A Placencia	2,676	$270,000	$100.90	5/16/2008	266073	7,841	2008
436-241-006	31154	85	Built/Occupied	Juan Valdez	2,993	$284,000	$94.89	6/13/2008	323339	10,890	2006
436-061-041	31037-3	61	Built/Occupied	Roberto Karlos & Carla Deniz Peraza	3,331	$280,000	$84.06	8/22/2008	465154	8,276	2008

San Jacinto USD

CFD NO. 2005-2

Summary of Sales by Year

APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-231-002	31154	5	Built/Occupied	Jorge A & Suann D Martinez	2,993	$222,500	$74.34	9/19/2008	513923	7,405	2006
436-061-044	31037-3	64	Built/Occupied	John D Dunn	3,112	$260,000	$83.55	9/19/2008	513726	7,405	2007
		6			**3,016**	**$276,083**	**$91.53**				
436-231-010	31154	13	Built/Occupied	Esteban Cervantes Cortez	2,993	$202,500	$67.66	1/2/2009	450	9,583	2006
436-052-047	31037-1	90	Built/Occupied	David B Martinez	2,414	$176,000	$72.91	1/13/2009	15026	8,712	2006
436-060-018	31037-1	39	Built/Occupied	Kristi D Sbabo	2,414	$173,500	$71.87	5/7/2009	227279	13,504	2006
436-230-004	31154	77	Built/Occupied	Debra Deborn	2,993	$165,000	$55.13	5/13/2009	238874	11,326	2007
436-232-012	31154	41	Built/Occupied	Erin Jo Rathert	2,538	$164,000	$64.62	5/19/2009	250850	9,148	2006
436-230-010	31154	83	Built/Occupied	Philip D & Kerri A Giles	1,958	$155,000	$79.16	5/19/2009	251709	10,454	2006
436-232-021	31154	50	Built/Occupied	Raymond J Rodriguez	1,958	$145,000	$74.06	5/27/2009	266691	7,405	2007
436-230-005	31154	78	Built/Occupied	Enrique & Elva J Cordero	2,538	$163,500	$64.42	6/2/2009	278493	11,761	2007
436-232-024	31154	53	Built/Occupied	Arkadiusz M & Rhonda J Jedraszek	2,993	$173,000	$57.80	6/19/2009	313715	7,405	2007
436-230-011	*31154*	*84*	*Built/vacant/fire damage*	*Larry & Tia U K Judge*	*2,993*	*$200,000*	*$66.82*	*6/23/2009*	*317828*	*10,890*	*2006*
436-232-025	31154	54	Built/Occupied	Brian Charles & Amy Renee King	2,538	$165,909	$65.37	6/26/2009	327551	7,841	2007
436-052-037	31037-1	80	Built/Occupied	Gordon & Don X Chen	2,571	$158,500	$61.65	6/30/2009	332505	7,405	2007
436-232-017	31154	46	Built/Occupied	Daniel & Alan Cruthers	2,538	$181,000	$71.32	7/6/2009	345112	8,276	2006
436-232-026	31154	55	Built/Occupied	Ramon & Vanessa Flores	2,993	$165,000	$55.13	7/10/2009	358657	7,841	2007
436-232-018	31154	47	Built/Occupied	Robert H & Robyn M Stangel	2,993	$198,000	$66.15	7/14/2009	361628	7,405	2006
436-232-022	31154	51	Built/Occupied	Gary S & Linda G Buckley	2,993	$165,000	$55.13	7/21/2009	376590	9,148	2007
436-060-007	31037-2	7	Built/Occupied	Ernestine G Barrios	2,571	$185,000	$71.96	8/20/2009	433716	13,939	2005
436-060-010	31037-2	10	Built/Occupied	Richard B & Sandra Lee Gomez	3,012	$189,000	$62.75	8/27/2009	447600	7,841	2005
436-052-002	31037-1	45	Built/Occupied	Alonso Barba	3,157	$190,000	$60.18	9/4/2009	464708	7,841	2006
436-060-008	31037-2	8	Built/Occupied	Catherine R Johnson	2,414	$180,000	$74.57	9/18/2009	487797	8,276	2005
436-060-019	31037-1	40	Built/Occupied	Santiago Guzman	3,157	$175,000	$55.43	10/21/2009	543834	8,276	2006
436-061-043	31037-3	63	Built/Occupied	Renzo Mayorga	2,676	$160,000	$59.79	10/30/2009	562908	7,841	2007
436-231-007	31154	10	Built/Occupied	Lupe M & Sharon L Ortiz	2,993	$200,000	$66.82	11/18/2009	597541	8,712	2006
436-232-020	31154	49	Built/Occupied	Ethel Gamez	2,538	$179,000	$70.53	12/7/2009	627804	9,583	2007
		24			**2,706**	**$175,371**	**$64.82**				

San Jacinto USD

CFD NO. 2005-2

Summary of Sales by Year

APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-052-050	31037-1	93	Built/Occupied	Steven & Deborah Ross	2,242	$163,000	$72.70	1/29/2010	43362	7,841	2006
436-060-009	31037-2	9	Built/Occupied	Andrea S Smith	2,242	$168,000	$74.93	2/23/2010	81110	7,405	2005
436-060-016	31037-1	37	Built/Occupied	Elvira Annette Sapien	2,571	$152,500	$59.32	3/26/2010	139166	7,405	2006
436-061-047	31037-3	67	Built/Occupied	Thomas Frank & Tara Nicole Andreass	3,331	$175,000	$52.54	3/31/2010	145234	9,148	2007
436-061-049	31037-3	69	Built/Occupied	Dimas & Diane Gonzalez	2,898	$150,000	$51.76	4/2/2010	152554	7,405	2007
436-060-015	31037-1	36	Built/Occupied	Cody & Angela Ridley	3,157	$165,000	$52.26	4/27/2010	191011	7,841	2006
436-052-004	31037-1	47	Built/Occupied	Linda S Cato	2,242	$137,000	$61.11	8/31/2010	417370	7,841	2006
436-061-051	31037-3	71	Built/Occupied	Simon B Nguyen	2,676	$165,500	$61.85	10/25/2010	510033	7,841	2007
436-231-004	31154	7	Built/Occupied	Maria Celia Contreras	2,538	$135,000	$53.19	12/29/2010	622926	7,405	2006
436-240-021	31154	70	Built/Occupied	Miguel Angel Rodarte	2,538	$169,000	$66.59	12/30/2010	624913	12,197	2006
		10			**2,644**	**$158,000**	**$59.77**				
436-052-036	31037-1	79	Built/Occupied	Luis Oseguera	2,414	$140,000	$58.00	3/3/2011	98434	7,405	2007
436-061-052	31037-3	72	Built/Occupied	Idlof Anthony G Eggleston	3,331	$175,000	$52.54	5/26/2011	232263	7,841	2007
436-232-014	31154	43	Built/Occupied	Ray A Contreras & Rosa Mara Garay	2,993	$172,000	$57.47	7/21/2011	319523	10,890	2006
436-231-003	31154	6	Built/Occupied	Tunantu Ojeda	1,958	$127,000	$64.86	7/28/2011	330508	7,405	2006
436-052-034	31037-1	77	Built/Occupied	Mary Elizabeth Parker	2,414	$146,500	$60.69	9/2/2011	393872	9,148	2007
436-230-007	31154	80	Built/Occupied	Ebelio & Maria Rivas	1,958	$146,000	$74.57	9/8/2011	399119	11,326	2007
436-231-001	31154	4	Built/Occupied	Raymond Milton Martinez	2,538	$160,000	$63.04	9/14/2011	408657	7,405	2006
436-061-046	31037-3	66	Built/Occupied	Ronald Baron	3,112	$175,000	$56.23	10/31/2011	481259	10,019	2007
436-231-005	31154	8	Built/Occupied	Armando Villicana	2,993	$187,500	$62.65	12/30/2011	579834	8,712	2006
		9			**2,635**	**$158,778**	**$60.27**				
436-241-005	31154	76	Built/Occupied	Patricia R & Christopher D Swartz	2,538	$136,500	$53.78	1/5/2012	4586	10,890	2007
436-230-008	31154	81	Built/Occupied	Paso De Record Llc	1,958	$136,500	$69.71	1/5/2012	4589	10,454	2006
436-051-002	31037-1	42	Built/Occupied	David H Levy	2,571	$145,000	$56.40	3/6/2012	102268	7,405	2006
436-232-019	31154	48	Built/Occupied	Joseph & Jose Lopez	1,958	$135,000	$68.95	3/14/2012	119329	11,326	2006
436-060-012	31037-1	33	Built/Occupied	James & Karen Isbell	3,157	$157,000	$49.73	3/16/2012	123285	8,276	2006

San Jacinto USD

CFD NO. 2005-2

Summary of Sales by Year

APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-240-020	31154	69	Built/Occupied	James & Victoria Comehn	2,993	$170,000	$56.80	4/13/2012	169511	12,197	2006
436-232-023	31154	52	Built/Occupied	Richard D & Rose V Jasper	1,958	$150,000	$76.61	4/23/2012	183910	8,276	2007
436-241-007	31154	86	Built/Occupied	Roger A & Irene J Otero	2,538	$273,909	$107.92	5/1/2012	198584	10,890	2006
436-232-011	31154	40	Built/Occupied	Yadira Lopez	2,993	$180,000	$60.14	5/31/2012	248872	9,583	2006
436-231-009	31154	12	Built/Occupied	Fred & Jane H Robinson	2,538	$140,000	$55.16	6/13/2012	273126	9,148	2006
436-232-015	31154	44	Built/Occupied	Michelle L Roach	2,538	$165,000	$65.01	6/27/2012	298755	7,405	2006
436-230-009	31154	82	Built/Occupied	Benjamin Herrera	2,538	$170,000	$66.98	7/23/2012	343739	10,454	2006
436-060-017	31037-1	38	Built/Occupied	Fabiola V Fierros	3,157	$179,500	$56.86	9/4/2012	420514	7,405	2006
436-061-045	31037-3	65	Built/Occupied	Tiana & Oscar Cruz	3,331	$240,000	$72.05	11/15/2012	553739	8,712	2007
		14			**2,626**	**$169,886**	**$64.69**				
436-231-006	31154	9	Built/Occupied	Israel I Garcia	2,538	$165,000	$65.01	3/1/2013	103191	12,632	2006
436-052-030	31037-1	73	Built/Occupied	Layvas Family Trust	2,242	$171,000	$76.27	3/12/2013	120546	7,841	2007
436-052-001	31037-1	44	Built/Occupied	Gail Vitek	2,242	$140,000	$62.44	4/29/2013	200491	7,841	2006
436-062-010	31037-3	1	Built/Occupied	Earnest J Kirby	2,676	$199,000	$74.36	7/30/2013	722329	8,276	2007
436-052-038	31037-1	81	Built/Occupied	Tellez Robin L Liles	3,157	$232,000	$73.49	7/30/2013	324153	7,405	2007
		5			**2,571**	**$181,400**	**$70.56**				

TOTAL DWELLINGS: 88

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APPRAISAL REPORT

SAN JACINTO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2005-2
SPECIAL TAX BONDS (INFRASTRUCTURE PROJECTS), SERIES 2013

Prepared for:

SAN JACINTO UNIFIED SCHOOL DISTRICT
2045 S. San Jacinto Avenue
San Jacinto, CA 92583

James B. Harris, MAI
Berri Cannon Harris
Harris Realty Appraisal
5100 Birch Street, Suite 200
Newport Beach, CA 92660

June 2013

Harris Realty Appraisal

5100 Birch Street, Suite 200
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949-851-1227 FAX 949-851-2055
www.harris-appraisal.com

June 17, 2013

Mr. Richard De Nava
Assistant Superintendent, Business Services
SAN JACINTO UNIFIED SCHOOL DISTRICT
2045 S. San Jacinto Ave.
San Jacinto, CA 92583

Re: ***Community Facilities District No. 2005-2***
Special Tax Bonds (Infrastructure Projects), Series 2013

Dear Mr. DeNava:

In response to your authorization, we have prepared a self-contained appraisal report that addresses all of the property within the boundaries of Community Facilities District No. 2005-2 (CFD No. 2005-2). This appraisal includes an estimate of Minimum Market Value of the 88 built and sold dwelling units, subject to the special tax for CFD No. 2005-2. ***It is important to note that only the 88 completed and sold dwelling units are valued in this appraisal assignment. The Finance Team has instructed the appraisers to value only the 88 completed and sold dwelling units within the District. For the remaining 263 lots and dwellings, only the Fiscal Year 2012-13 Assessed Values are reported.***

The appraisal includes a mass appraisal analysis for the completed and sold dwelling units, which results in a Minimum Market Value for the 88 dwellings. Please review the definitions of Minimum Market Value and Mass Appraisal in the definitions section of this report. According to the specific instruction from the Finance Team, the Fiscal Year 2012-13 Assessed Values are reported for the 263 remaining lots which include 12 built but vacant dwellings, 180 finished lots and 71 lots in a blue-top lot condition. The appraisers did not have physical access to inspect the 71 individual blue-top lots. According to the property owner, the 71 blue-top lots are also improved with wet utilities.

According to the specific guidelines of the California Debt and Investment Advisory Commission (CDIAC), each ownership is valued in bulk, representing a discounted value to that ownership as of the date of value.

Based on the investigation and analyses undertaken, our experience as real estate appraisers and subject to all the premises, assumptions and limiting conditions set forth in this report, the following opinion of Minimum Market Value of the 88 built and sold dwelling units is formed as of June 14, 2013.

CFD No. 2005-2
MINIMUM MARKET VALUE – 88 DWELLING UNITS
FIFTEEN MILLION THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
$15,375,000

According to the specific guidelines of the Finance Team for CFD No. 2005-2 the appraisers are reporting the Fiscal Year 2012-13 Assessed Values for the balance of the District. The balance of the District is under the ownerships of 888 Jacinto, LLC, 46 Almaden San Jacinto, LLC and CADO San Jacinto LLC.

ASSESSED VALUE – 263 LOTS/DWELLINGS

FOUR MILLION SEVEN HUNDRED SIXTY-ONE THOUSAND ONE HUNDRED FIFTY-SEVEN DOLLARS $4,761,157

The self-contained report that follows sets forth the results of the data and analyses upon which our opinions of value are, in part, predicated. This report has been prepared for San Jacinto Unified School District for use in the sale of Community Facilities District No. 2005-2 bonds. The intended users of this report are San Jacinto Unified School District, its underwriter, financial advisor, legal counsel, consultants, and potential bond investors. This appraisal has been prepared in accordance with and is subject to the requirements of *The Appraisal Standards for Land Secured Financing* as published by the California Debt and Investment Advisory Commission; the *Uniform Standards of Professional Appraisal Practice* (USPAP) of the Appraisal Foundation; and the *Code of Professional Ethics* and the *Standards of Professional Appraisal Practice* of the Appraisal Institute.

We meet the requirements of the Competency Provision of the *Uniform Standards of Professional Appraisal Practice*. A statement of our qualifications appears in the Addenda.

Respectfully submitted,

Berri Cannon Harris
Berri Cannon Harris
Principal
AG009147

James B Harris
James B. Harris, MAI
Principal
AG001846

San Jacinto Unified School District
Community Facilities District № 2005-2
Zone 1 & Zone 2
De Anza Dr
Lyon Ave
Zone 2
Ramona Blvd
Zone 1
Potter Dr
Boundaries Approximate
6951_061613

SUMMARY OF FACTS AND CONCLUSIONS

EFFECTIVE DATE OF APPRAISAL	June 14, 2013
DATE OF REPORT	June 17, 2013
INTEREST APPRAISED	Fee Simple Estate, subject to special tax liens
LEGAL DESCRIPTION	Lots 1 through 88, Tract No. 31154 Lots 1 through 71, Tract No. 31037 Lots 1 through 93, Tract No. 31037-1 Lots 1 through 27, Tract No. 31037-2 Lots 1 through 72, Tract No. 31037-3
OWNERSHIPS	88 Individual Homeowners (88 lots) – included in Addenda *Investment Entity Ownerships:* 888 Jacinto, LLC – 58 lots 46 Almaden San Jacinto, LLC – 46 lots CADO San Jacinto LLC – 159 lots
SITE CONDTION	The District is planned and approved for 351 detached dwelling units. Five final tract maps make up the District. As of the date of inspection, 87 dwellings were built and appeared to be occupied. One additional dwelling had been occupied but was currently vacant due to fire damage. In addition, there were 12 dwellings that appeared to be complete, in terms of exterior improvements, but were vacant. Physical inspection of the remaining property indicated there were 180 physically finished lots.and 71 lots graded to blue-top lot condition. According to the property owner, the 71 lots include water and sewer improvements.
HIGHEST AND BEST USE	Continued development of single-family detached homes

SUMMARY OF FACTS AND CONCLUSIONS

VALUATION CONCLUSIONS		
	Total Value by Ownership:	
	Minimum Market Value	
	88 Individual Homeowners	**$15,375,000**
	Assessed Values	
	888 Jacinto, LLC	**$2,342,258**
	46 Almaden San Jacinto, LLC	**$436,678**
	CADO San Jacinto LLC	**$1,982,221**
	Total Value by Zone:	
	Zone 1	
	Minimum Market Value	
	46 Individual Homeowners	**$8,360,000**
	Assessed Value	
	12 Built Dwellings, 134 Physically Finished lots & 71 Blue top Lots with Wet Utilities	**$4,324,479**
	Zone 2	
	Minimum Market Value	
	42 Individual Homeowners	**$7,015,000**
	Assessed Value	
	46 Physically Finished Lots	**$436,678**

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INTRODUCTION

Purpose of the Report

The purpose of this appraisal is to estimate the Minimum Market Value for the *fee simple estate, subject to the special tax lien* for the 88 built and sold dwelling units within Community Facilities District No. 2005-2, located in the City of San Jacinto in Riverside County. The purpose of this appraisal is to estimate the "As Is" Minimum Market Value of the 88 built and sold dwelling units and report the Fiscal Year 2012-13 Assessed Values for the land and improvements under the ownerships of 888 Jacinto, LLC, 46 Almaden San Jacinto, LLC and CADO San Jacinto LLC within the District. Valuations are also to be reported according to Zones within CFD No. 2005-2.

The opinions set forth are subject to the assumptions and limiting conditions set forth in this appraisal, and the guidelines as set forth by the San Jacinto Unified School District.

Function of the Report and Intended Use

It is our understanding that this appraisal report is to be used for Community Facilities District bond financing purposes only. The subject property is described more particularly within this report. The bonds are issued pursuant to the Mello-Roos Community Facilities District Act of 1982, as amended. The maximum authorized bonded indebtedness for CFD No. 2005-2, is $14,800,000.

Client and Intended Users of the Report

This report was prepared for our client, San Jacinto Unified School District. The intended users of the report include the District, its counsel, underwriter, financial advisor, consultants, and potential bond purchasers.

Scope of the Assignment

According to the specific instructions from the District's Finance Team the scope of this assignment includes an estimate of Minimum Market Value for 88 built and sold dwelling units. In addition, the Fiscal Year 2012-13 Assessed Values are reported for the

263 remaining lots which include 12 built but vacant dwellings, 180 physically finished lots and 71 lots that are in a blue-top lot condition. The appraisers did not have physical access to inspect the 71 individual lots. The 88 dwelling units are under individual ownerships and the balance of the District is under the ownerships of 888 Jacinto, LLC, 46 Almaden San Jacinto, LLC and CADO San Jacinto LLC. This is a fully documented self-contained appraisal report. Any lands designated for park, open space or civic uses within this CFD and not subject to special tax are not included in this assignment.

The residential land and improvements are valued in their "As Is" condition as of the date of value. Development of CFD No. 2005-2 includes 87 completed and occupied dwelling units. As of the date of inspection, one additional dwelling unit was vacant due to fire damage. This dwelling was sold to an individual homeowner. Twelve additional dwellings appear to be built based on an exterior inspection only. However, the 12 dwellings were not occupied. The interiors were not inspected. In addition, there are 180 physically finished lots and an additional 71 lots that the appraisers did not have access to. Based on distant observation, it appeared that the lots had been graded to a blue-top lot condition. The property owner reports that the 71 blue-top lots have been improved with water and sewer.

We have analyzed the subject property based upon the existing use and our opinion of its highest and best use. We have searched for sales of similar tracts to estimate the value of the 88 dwelling units.

The following paragraphs summarize the process of collecting, confirming and reporting of data used in the analysis.

1. Gathered and analyzed demographic data from sources including the California Department of Finance (population data), Employment Development Department of the State of California (employment data), City of San Jacinto (zoning information, building permit trends), Hanley Wood-Metrostudy (housing sales, inventory levels, and absorption), and sales personnel of comparable projects (market trends of individual home sales). Subject information was gathered from the current owners and their consultants.

2. Inspected the subject's neighborhood and reviewed existing product and similar products for consideration of Highest and Best Use of the District.

Date of Value and Report

The opinion of Minimum Market Value expressed in this report is stated as of June 14, 2013. The date of the appraisal report is June 17, 2013.

Date of Inspection

The subject property was inspected on several occasions, with the most recent on June 6, 2013.

Property Rights Appraised

The property rights appraised are those of the *fee simple estate subject to special tax liens* of the real estate described herein.

Property Identification

The subject property is located in the City of San Jacinto in Riverside County. According to the Community Facilities District Report dated May 24, 2005, prepared by David Taussig & Associates, Inc., the District consists of two noncontiguous properties consisting of 102.43 gross acres divided into Zone 1 and Zone 2. Zone 1 is approximately 72.72 gross acres and is located along Potter Road between Ramona Boulevard and De Anza Drive. Zone 2 is approximately 29.71 gross acres and is located between De Anza Drive and Lyon Avenue. The District is proposed for a total of 351 single family detached dwellings. The District is further identified as Lots 1 through 88 of Tract Map No. 31154, Lots 1 through 71 of Tract Map No. 31037, Lots 1 through 93 of Tract Map No. 31037-1, Lots 1 through 27 of Tract Map No. 31037-2 and Lots 1 through 72 of Tract Map No. 31037-3. Zone 1 includes Tracts 31037, 31037-1, 31037-2 and 31037-3. Zone 2 includes Tract 31154.

As of the date of value the property was improved with 88 single-family detached dwelling units, of which one has fire damage and is not currently occupied. Remediation efforts appeared to be in process as of the date of inspection. An additional 12 dwelling units had been improved, based on an exterior inspection of the dwellings only, but have not been sold to individual homeowners and were not occupied as of the date of value. An additional 180 lots were in a physically finished lot condition with 19 of the lots improved with slabs. A portion of the District was not accessible to the appraisers to inspect. Based on limited access to that portion of the District, it appears that 71 lots were in a blue-top lot condition. ***It is important to note that only the 88 completed and sold dwelling units are valued in this appraisal assignment. The Finance Team has instructed the appraisers to value only the 88 completed and sold dwelling units within the District. For the remaining 263 lots and dwellings, only their Assessed Values are reported.***

Please refer to the map on the following page, which outlines the boundaries of CFD No. 2005-2 included in the Community Facilities District Report. Please refer to Page 6 which summarizes the condition of the lots, legal descriptions and ownerships.

Legal Description and Ownership

As previously mentioned, the District in its entirety includes land that has been improved from blue-top lot condition to completed, sold and occupied dwelling units. The District includes 88 individual home ownerships. In addition, there are 12 built, but vacant, dwellings and 180 physically finished lots. Forty-six physically finished lots are under the ownership of 888 Jacinto, LLC; 46 physically finished lots are under the ownership of 46 Almaden San Jacinto, LLC and 159 lots in blue-top lot to physically finished lot condition are under the ownership of CADO San Jacinto LLC. Please refer to the Addenda of this report under Ownership for a lot by lot summary of the 351 lots/dwellings within CFD No. 2005-2. Page 6 summarizes the ownerships and legal descriptions of the District.

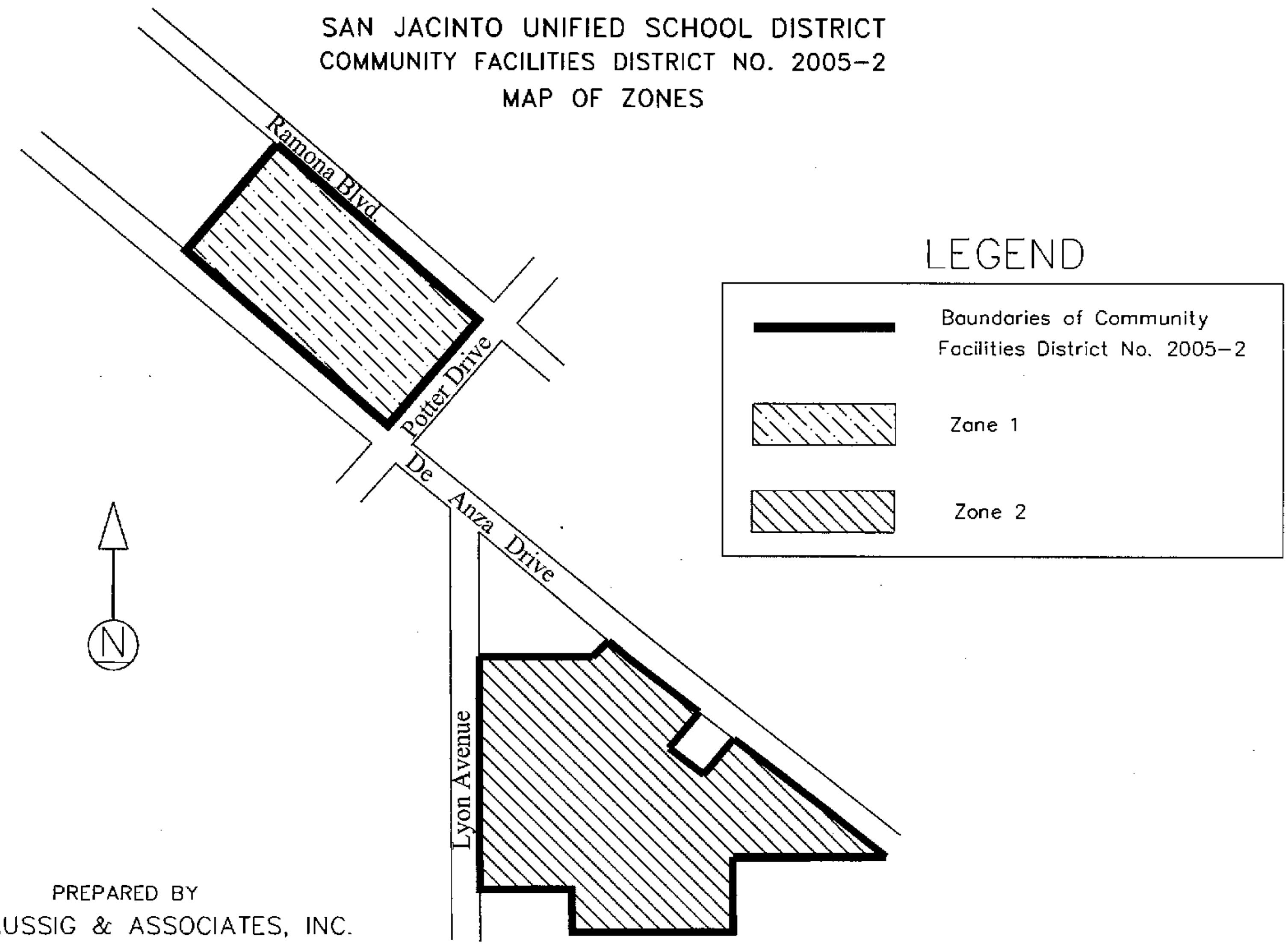
Property History

Zone 1 consists of 263 lots. The original developer, Alexander Communities, began development of Potter Ranch in 2003. Home sales began in 2005. The original developer built 32 dwellings, and sold 26 to homeowners. Alexander Communities sold 72 lots to Granite Homes in 2007. Granite Homes construction and sold 14 dwellings during 2007 and 2008 to individual homeowners. In the fall of 2008, CADO San Jacinto, LLC, an

SHEET 1 OF 2

EXHIBIT A

SAN JACINTO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2005-2
MAP OF ZONES



PREPARED BY
DAVID TAUSSIG & ASSOCIATES, INC.

Legal Description, Ownership and Site Condition

Tract	Ownership Lot Nos.	No. Lots	Site Condition (June 14, 2013)
88 Individual Homeowners (See Addenda)			
31154	4-13, 40-44, 46-55, 68-71, 76-83 & 85-88	41	Completed, Sold and Occupied Homes
31037-1	33-42, 44-47, 72-81 & 90-93	28	Completed, Sold and Occupied Homes
31037-2	7-10	4	Completed, Sold and Occupied Homes
31037-3	1, 60-72	14	Completed, Sold and Occupied Homes
31154	84	1	Completed, Sold, Fire Damaged, Vacant
		88	**Total Sold Dwellings**
888 Jacinto, LLC			
31037-3	2-6, 32-35 & 57-59	12	Built, Vacant
31037-3	7-31, 36-56	46	Physically Finished Lots
		58	
46 Almaden San Jacinto, LLC			
31154	1-3, 14-26, 29-39, 45, 56-67 & 72	41	Physically Finished Lots
31154	27, 28 & 73-75	5	Physically Finished Lots/Slabs
		46	
CADO San Jacinto, LLC			
31037-1	16-27, 43, 48-68	34	Physically Finished Lots
31037-2	1-6, 11-27	23	Physically Finished Lots
31037-1	1-15	15	Physically Finished Lots/Retention Basin
31037-1	28-32, 69-71& 82-89	16	Physically Finished Lots/Slabs
31037	1-71	71	No access, Blue-Top w/ Wet Utilities
		159	
TOTAL UNITS/LOTS:		**351**	

Zone 1 includes TR 31037, 31037-1, 31037-2 & 31037-3. Zone 2 includes TR 31154.

investment entity, acquired the note which was secured by Alexander Communities' remaining 88 finished lots (TR 31037-1), 71 blue top lots with wet utilities installed (TR 31037) and 6 nearly completed dwellings. CADO San Jacinto, LLC foreclosed the note and renovated and sold the existing homes to individual homeowners in 2009. Another investment fund, FNBN RESCON, acquired the note and ultimately foreclosed on the remaining Granite Homes lots and sold the collateral consisting of 12 partially completed houses and 46 finished lots to another investor, 888 Jacinto, LLC. CADO San Jacinto, LLC (159 lots) and 888 Jacinto, LLC (12 partially construction homes and 46 lots) intend to sell their remaining property to merchant builders.

Zone 2 was originally developed by Young California Homes for the proposed product of Almaden during 2005 and 2006. Zone 2 consists of 88 lots, of which Young California Homes built and sold 42 houses. The remaining lots were foreclosed on by Guaranty Bank and then were sold to 46 Almaden San Jacinto, LLC in February 2010. The current owner is holding the lots to ultimately sell to a merchant builder.

Definitions

Market Value[1]

The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(a) Buyer and seller are typically motivated.

(b) Both parties are well informed or well advised, and each acting in what he considers his own best interest.

(c) A reasonable time is allowed for exposure in the open market.

(d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.

(e) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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[1] Part 563, subsection 563.17-1a(b)(2), Subchapter D, Chapter V, Title 12, Code of Federal Regulations.

Minimum Market Value

It may be appropriate for projects that have built-out and occupied product to use mass appraisal techniques. When conforming groups of property types within the same CFD are built and have achieved a stabilized occupancy, appraisers may use a limited valuation analysis to value a sampling of similar properties. In this analysis, the overall average sales price per square foot is compared for each year. A conservative estimate of value per square foot is used in estimating Minimum Market Value for the 88 built dwellings within CFD No. 2005-2.

Mass Appraisal

When a tract or project is built-out and absorbed, the appraiser may use an aggregate value estimate based upon *conservative per dwelling unit estimates*. It is implicit in mass appraisal that some individual value conclusions will not meet standards of reasonableness, consistency and accuracy. *However, appraisers engaged in mass appraisal have a professional responsibility to ensure that,* ***on an overall basis****, the value conclusions meet attainable standards of accuracy.* The appraisers have used an average conservative value for the average size unit within the District. By utilizing average value estimates, individual home values could be higher or lower, depending on unit size. However, on an overall basis, the value conclusions are reasonable and meet attainable standards of accuracy.

Fee Simple Estate[2]

Absolute ownership unencumbered by any other interest or estate subject only to the four powers of government.

Fee Simple Estate Subject to Special Tax and Special Assessment Liens

Empirical evidence (and common sense) suggests that the selling prices of properties encumbered by such liens are discounted compared to properties free and clear of such liens. In new development projects, annual special tax and/or special assessment payments can be substantial, and prospective buyers take this added tax burden into account when formulating their bid prices. Taxes, including special taxes, are legally distinct from assessments.

The Minimum Market Value included herein, reflects the value potential buyers would consider given the special tax lien of Community Facilities District No. 2005-2.

[2] *The Dictionary of Real Estate Appraisal*, Third Edition, published by The Appraisal Institute, 1993, Page 140

Retail Value

Retail value should be estimated for all fully improved and sold properties. Retail value is an estimate of what an end user would pay for a finished property under the conditions requisite to a fair sale.

Blue-Top Graded Parcel

Blue-top graded parcel includes streets cut and padded lots with utilities stubbed to the parcel and perimeter streets completed.

Finished Site[3]

Land that is improved so that it is ready to be used for a specific purpose. (Improvements include padded lot, streets and utilities to the lot, and all fees required to issue a building permit paid.)

Extraordinary Assumptions,
Assumptions and Limiting Conditions

The analyses and opinions set forth in this report are subject to the following assumptions and limiting conditions:

Standards Rule ("S.R.") 2-1(c) of the "Standards of Professional Appraisal Practice" of the Appraisal Institute requires the appraisers to "clearly and accurately disclose any extraordinary assumption or limiting condition that directly affects an appraisal analysis, opinion, or conclusion." In compliance with S.R. 2-1(c) and to assist the reader in interpreting the report, the following contingencies, assumptions and limiting conditions are set forth as follows:

Extraordinary Assumptions of the Appraisal

The opinions of value rely on the information provided by the District's Special Tax Consultant, which we have assumed to accurately identify the properties within CFD No. 2005-2. It is a specific assumption of this appraisal that the appraisers have been provided with a summary of all the parcels subject to special tax within the CFD.

The opinions of values expressed in this report do not apply to any specific dwelling unit.

Assumptions and Limiting Conditions

No responsibility is assumed by your appraisers for matters that are legal in nature. No opinion of title is rendered, and the property is appraised as

[3] Ibid, Page 334

though free of all encumbrances and the title marketable. No survey of the boundaries of the property was undertaken by your appraisers. All areas and dimensions furnished to your appraisers are presumed to be correct.

The date of value for which the opinions of Minimum Market Value are expressed in this report is June 14, 2013. The dollar amount of this value opinion is based on the purchasing power of the United States dollar on that date.

Maps, plats, and exhibits included herein are for illustration only, as an aid for the reader in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

Oil, gas, mineral rights and subsurface rights were not considered in making this appraisal unless otherwise stated and is not a part of the appraisal, if any exist.

The appraisers were not provided a soil report for the District. All of the District has been graded and improved to 71 blue-top lots with wet utilities installed, 180 finished lots, and 100 completed dwellings. For purposes of this appraisal, the soil is assumed to be of adequate load-bearing capacity to support all uses considered under our conclusion of Highest and Best Use.

The appraisers have been provided with one title report for a portion of the District. The report was dated August 25, 2008 and prepared by Stewart Title of California, Inc. The title policy shows the ownership as A.C. Ramona LLC and covers Lots 1 through 32, 39, 43, 48 through 71 and 81 through 89 of Tract 31037-1, Lots 1 through 27 of Tract 31037-2 and Lots 1 through 71 of Tract 31037. This report covers a portion of the District that the appraisers are not valuing but reporting the Assessed Values only, as instructed by the Finance Team. No other title policies were provided for the appraiser's review. Individual policies for the 88 sold dwelling units were not requested or provided. For purposes of this appraisal, we are not aware of any easements, encroachments or restrictions that would adversely impact the value of the subject properties.

Information contained in this report has been gathered from sources which are believed to be reliable, and, where feasible, has been verified. No responsibility is assumed for the accuracy of information supplied by others.

Since earthquakes are common in the area, no responsibility is assumed for their possible affect on individual properties, unless detailed geologic reports are made available.

The appraisers have inspected as far as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil.

Therefore, no representations are made as to these matters unless specifically considered in the report.

The appraisers assume no responsibility for economic or physical factors that may occur after the date of this appraisal. The appraisers, in rendering these opinions, assume no responsibility for subsequent changes in management, tax laws, environmental regulations, economic, or physical factors that may or may not affect said conclusions or opinions.

No engineering survey, legal, or engineering analysis has been made by us of this property. It is assumed that the legal description and area computations furnished are reasonably accurate. However, it is recommended that an analysis be made for exact verification through appropriate professionals before demising, hypothecating, purchasing or lending occurs.

The appraisers have not been provided with plans or specifications for the existing dwellings within the District. For purposes of this appraisal, we have assumed that the quality of construction, functional utility, amenities and features will meet market demand for new product in the market area in which the subject is located. This is a specific assumption of the value estimate included in the report.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the appraisers' inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test for such substances or conditions.

The presence of such substances such as asbestos, urea formaldehyde, foam insulation, or other hazardous substances or environmental conditions may affect the value of the property. The value estimated herein is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate if so desired.

The cost and availability of financing help determine the demand for and supply of real estate and therefore affect real estate values and prices. The transaction price of one property may differ from that of an identical property because financing arrangements vary.

The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

The forecasts of future events that influence the valuation process are predicated on the continuation of historic and current trends in the market.

The property appraised is assumed to be in full compliance with all applicable federal, state, and local environmental regulations and laws, and the property is in conformance with all applicable zoning and use ordinances/restrictions, unless otherwise stated.

The *Americans with Disabilities Act ("ADA")* became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.

We shall not be required, by reason of this appraisal, to give testimony or to be in attendance in court or any governmental or other hearing with reference to the property without prior arrangements having first been made with the appraisers relative to such additional employment.

In the event the appraisers are subpoenaed for a deposition, judicial, or administrative proceeding, and are ordered to produce their appraisal report and files, the appraisers will immediately notify the client.

The appraisers will appear at the deposition, judicial, or administrative hearing with his/her appraisal report and files and will answer all questions unless the client provides the appraisers with legal counsel who then instructs them not to appear, instructs them not to produce certain documents, or instructs them not to answer certain questions. These instructions will be overridden by a court order which the appraisers will follow if legally required to do so. It shall be the responsibility of the client to obtain a protective order.

The appraisers have personally inspected the subject property; however, no opinion as to structural soundness of existing improvements or conformity to any applicable building code is made. The appraisers assume no responsibility for undisclosed structural deficiencies/conditions. No consideration has been given in this appraisal to personal property located on the premises; only the real estate has been considered unless otherwise specified.

James B. Harris is a Member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each Member to control the uses and distribution of each appraisal report signed by such Member. Except as hereinafter provided, possession of this report, or a copy of it, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers and in any event only with properly written qualification and only in its entirety **San Jacinto Unified School District, its underwriter and legal counsel may publish this report in the Official Statement for this Community Facilities District.**

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, public relations, news media or any other public means of communication without the prior consent and approval of the undersigned.

The acceptance of and/or use of this appraisal report by the client or any third party constitutes acceptance of the following conditions:

> **The liability of Harris Realty Appraisal and the appraisers responsible for this report is limited to the client only and to the fee actually received by the appraisers. Further, there is no accountability, obligation or liability to any third party. If the appraisal report is placed in the hands of anyone other than the client for whom this report was prepared, the client shall make such party and/or parties aware of all limiting conditions and assumptions of this assignment and related discussions. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk.**
>
> **If the client or any third party brings legal action against Harris Realty Appraisal or the signer of this report and the appraisers prevail, the party initiating such legal action shall reimburse Harris Realty Appraisal and/or the appraisers for any and all costs of any nature, including attorneys' fees, incurred in their defense.**

AREA DESCRIPTION

The following section of this report will summarize the major demographic and economic characteristics such as population, employment, income and other pertinent characteristics for the Southern California region, Riverside County, City of San Jacinto and the subject market area.

Southern California Regional Overview

The Southern California region, as defined in this report, encompasses six individual counties including Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura Counties. The Southern California region extends from the California-Mexico border on the south to the Tehachapi mountain range on the north and from the Pacific Ocean on the west to the California-Arizona border on the east. The region covers an estimated 38,242 square miles and embodies a diverse spectrum of climates, topography, and level of urban development. Please refer to the following page for a location map.

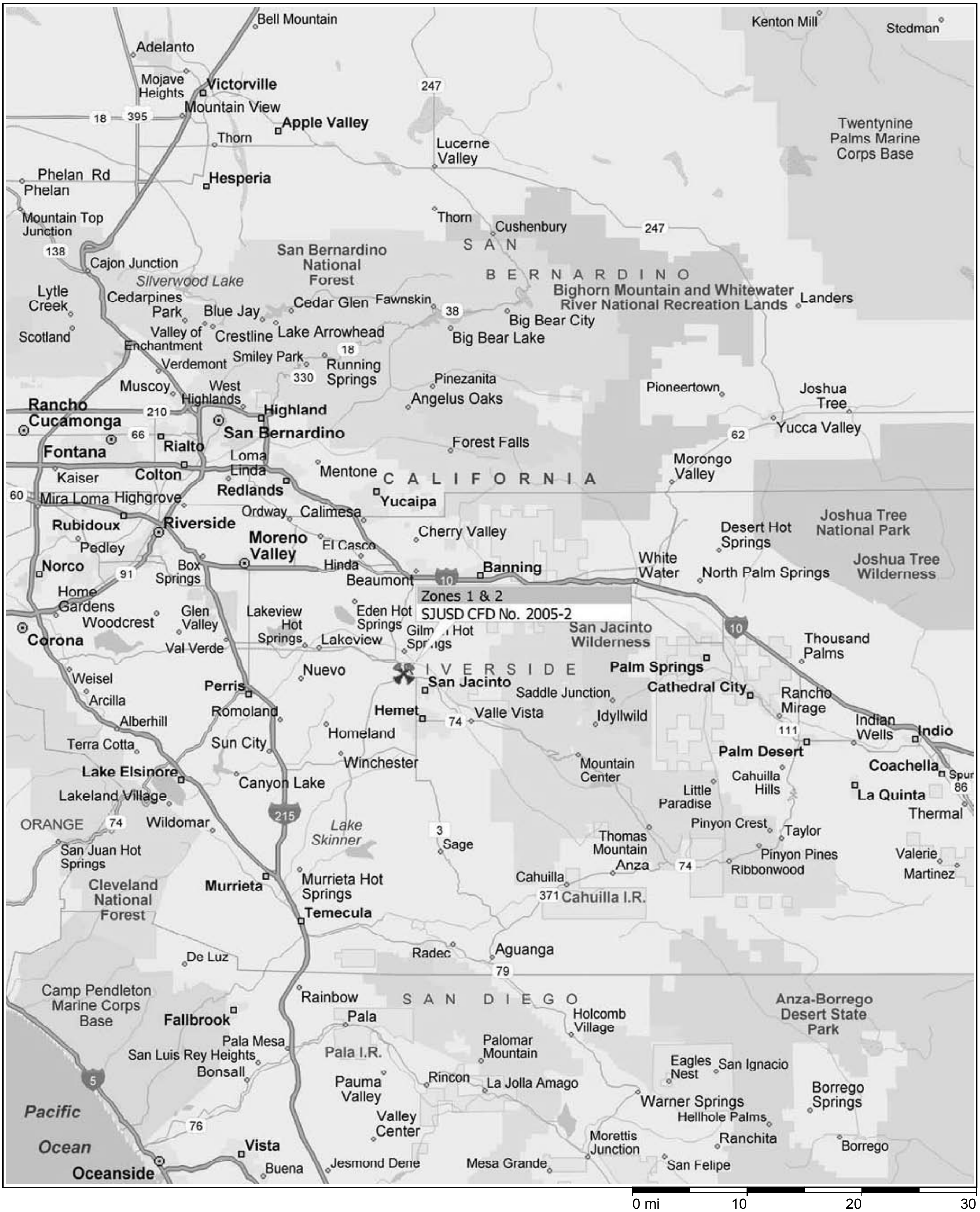
Population

The Southern California region has added about 8.0 million new residents since 1980 as indicated in the table shown on page 16. According to the California Department of Finance, the most recent data available indicate that as of January 2013, the regional population stood at over 21.3 million. If the region were an individual state, it would rank as one of the most populous in the nation.

Since 2000, annual population gains from natural increase and immigration have ranged from a negative 738,081 persons in 2010 up to 397,400 persons in 2002. These figures represent annual gains/losses of -3.4% to 2.0%. During the past five years, the population of the six-county Southern California region grew by a negative 3.4% to a positive 1.0% per annum.

As of January 2013 the population of the six-county area stood at 21,356,900 persons. Looking toward the future, it is estimated that the region's population will continue

Regional Map



to climb as new residents seek out the Southern California area. Starting with the economic downturn from 1992 through 1996, and continuing through 2012, the population growth rate declined compared to the growth experienced in the late 1980s. The regional and county populations experienced a negative 3.4% adjustment in the year 2010. This was due to the U.S. Census. The U.S. Census actual counts were significantly less than the prior State of California projections.

Population Trends
1980-2013

Year	Population	Average Annual Change Number	Average Annual Change Percent
1980[1]	13,359,673	--	--
1990	17,029,545	366,987	2.7%
2000	19,187,487	215,795	1.3%
2001	19,522,500	335,000	1.7%
2002	19,919,900	397,400	2.0%
2003	20,299,100	379,200	1.9%
2004	20,629,300	330,200	1.6%
2005	20,902,600	273,300	1.3%
2006	21,147,200	244,600	1.2%
2007	21,430,300	266,100	1.3%
2008	21,491,700	61,400	0.3%
2009	21,710,400	218,700	1.0%
2010	20,972,319	(738,081)	(3.4%)
2011	21,106,400	134,081	0.6%
2012	21,207,500	101,100	0.5%
2013	21,356,900	149,400	0.7%

[1] April 1, 1980, 1990, 2000, and 2010 all other years January 1
Source: California Department of Finance 5/13

The future rate of growth will depend on a number of factors that may dramatically affect the region. Some of the major factors include availability of developable land, availability of water, national economic climate, and public policy toward growth and the assimilation of a large number of new foreign immigrants. The continued growth of the population within the region, even during periods of economic slowdown, provides a positive indicator as to the desirability of the Southern California region.

Employment

In conjunction with the population growth, a key indicator of the region's economic vitality is the trend in employment. The most common measure of employment growth is the change in non-agricultural wage employment. The table below illustrates the non-agricultural wage employment trends in Southern California.

Southern California Region
Employment Trends
1983-2012[1]

		Average Annual Change	
Year	Employment	Number	Percent
1983	5,691,000	--	--
1990	7,288,100	159,710	2.8%
2000	7,918,200	63,000	0.9%
2001	8,015,300	97,100	1.2%
2002	8,007,500	(7,800)	(0.1%)
2003	8,035,400	27,900	0.3%
2004	8,159,700	124,300	1.5%
2005	8,310,500	150,800	1.8%
2006	8,481,600	171,100	2.1%
2007	8,514,100	32,500	0.4%
2008	8,365,100	(149,000)	(1.8%)
2009	7,837,300	(527,800)	(6.3%)
2010	7,748,700	(88,600)	(1.1%)
2011	7,797,700	49,000	0.6%
2012	7,909,400	111,700	1.4%

[1] 2012 Benchmark

Source: Employment Development Department 3/13

In the Southern California region, average annual non-agricultural employment has grown from 5,691,000 jobs in 1983, to a then peak employment of 8,015,300 in 2001. Employment declined to 8,007,500 in 2002. This decline was mostly caused by a 46,800 job decrease in Los Angeles County. Each year between 2003 and 2007, Southern California employment climbed to a new record level, 8,514,100 in 2007. This was in spite of Los Angeles County only adding an additional 139,000± net jobs in four years. In 2008, the number of jobs declined by 149,000 to 8,365,100. The job losses accelerated in 2009 to a loss of 527,800 jobs for a total of 7,837,300 jobs. The job losses moderated in 2010 to a loss of 88,600 jobs, for a total of 7,748,700 jobs. This three year decline wiped out over ten years of increases. This represented a decrease of over 165,500 new jobs since 2000 in Southern California. During 2011, there was a small increase of 0.6% to a total of 7,797,700 jobs. In 2012 employment increased by 111,700 jobs, the fourth highest level since 2000. Currently, the jobs total is almost back to the 2000 level.

Employment among the individual industry categories reflects some fundamental regional changes in the economy during the past decade. The level of mining activity in Southern California continues to steadily decline as reflected in the consistent decrease in mining employment. Construction employment, as of 1989, was at a high level in response to the level of construction activity that had occurred in the region during the previous five years. During the period from 1991 through 1994, construction employment declined in response to decreased residential and commercial construction activity. From 1994 through 2006, as the economy rebounded, residential construction increased bringing back more than the construction jobs lost during the recession. Construction jobs have declined since the first quarter of 2007 as the residential market and commercial markets have weakened. As of 2012, there were 204,300 fewer construction jobs than in 2006. This reflects a 40% decline in construction jobs.

Total manufacturing employment in the region has exhibited little gain from the levels recorded in 1980. Due to the high labor, land, and capital costs in most of the Southern California region, some manufacturing firms have expanded or relocated their manufacturing operations outside of the area.

The Southern California economy, which historically depended heavily on aerospace and defense related employment, was dealt a double blow. First from the reduction of the space program and reduced defense spending which affected manufacturers and suppliers, and second from the closure of several military bases which has had a ripple effect throughout the local economy. Areas heavily dependent on military spending will be impacted as the units are deployed abroad.

The finance, insurance, and real estate ("FIRE") employment category grew rapidly as the economy recovered from the 1981-1982 national recession. As the economy entered a new recessionary cycle, the FIRE employment sector exhibited little growth from 1991 through 1995. Between 1995 and 2005±, job growth in this sector had been significant. However, jobs declined in 2006 and continue to decline through 2012 as real estate loan demand declined. Some of the manufacturing and aerospace jobs permanently displaced from the economy were slowly being replaced with administrative, marketing and research employment. It is reasonable to assume that similar stagnant growth in this area will be experienced during the current economy.

The employment group that has contributed most to the employment growth in the region is the service sector. Since 1980, the majority of all new jobs have been created in the service category. The service sector was the leader in new job growth during the last ten years.

Government employment tends to mirror the growth of the population that it services. It is expected that government employment will grow at a rate similar to the area population. The future employment growth in the Southern California region is expected to continue but at a level moderately lower than recent years. Factors that will affect employment growth include the direction of the national economy, wage levels, housing prices, and population trends. However, the California state budget deficit has negatively impacted both state and local government employment, with significant job losses over the last several years.

Riverside County

Riverside County consists of 28 individual cities and numerous unincorporated communities. Riverside County is typically grouped with adjacent San Bernardino County to form the Riverside-San Bernardino Metropolitan Statistical Area ("MSA"). This area is commonly called the Inland Empire. Riverside County is bounded by Orange County to the west, San Bernardino to the north, the state of Arizona to the east, and San Diego County to the south.

The major urbanized areas are located in the western portion of the County. The major incorporated cities include the cities of Riverside, Corona, and Moreno Valley. These areas were the most active areas for new growth during the late 1990's until the recession took hold during 2008. The area which encompasses Lake Elsinore, Beaumont, Murrieta, Menifee Valley and Temecula has also experienced rapid growth since the mid 1990's. The areas that experienced the most active growth during the last decade also suffered the most during the past lengthy recession.

Population

Riverside County has more than tripled its population, adding approximately 1,591,860 new residents since 1980 as illustrated in the following table. As of the 2010 Census, the countywide population stood at 2,189,641 residents. The 2012 estimate by the State of California indicates that the County had 2,234,193 residents on January 1, 2012. This increased to 2,255,059 residents on January 1, 2013. Annual population gains, from natural increase and immigration, have ranged from 16,393 persons in 2012 up to 82,041 persons in 2010. Recent gains of 16,393 to 82,041 persons represent annual changes of 0.7% to 4.7% since 2004.

The future rate of growth within the County will depend on a number of factors. Some of the major factors include availability of developable land, availability of water, national and regional economic climate and public policy toward growth.

The areas within the County that will continue to experience the largest share of the new population growth will be the Corona-Riverside area and the area between Lake Elsinore, Menifee and Temecula.

Riverside County
Population Trends
1980-2013

		Average Annual Change	
Year	Population	Number	Percent
1980	663,199	--	--
1990	1,170,413	50,721	7.6%
2000	1,545,387	37,497	3.2%
2001	1,590,200	44,813	2.9%
2002	1,653,800	63,600	4.0%
2003	1,726,300	72,500	4.4%
2004	1,807,600	81,300	4.7%
2005	1,888,300	80,700	4.5%
2006	1,953,300	65,000	3.4%
2007	2,031,600	78,300	4.0%
2008	2,078,600	47,000	2.3%
2009	2,107,600	29,000	1.4%
2010	2,189,641	82,041	3.9%
2011	2,217,800	28,159	1.3%
2012	2,234,193	16,393	0.7%
2013	2,255,059	20,866	0.9%

April 1, 1980, 1990, 2000, 2010, all other years January 1.
Source: California Department of Finance, U.S. Census 5/13

Employment

Employment data for Riverside County are compiled for the entire MSA, which includes San Bernardino and Riverside Counties. These counties have a diverse economy, with manufacturing, construction and tourism being the major industry groups. In conjunction with the rapid population growth experienced in the past two decades, the employment base continued to grow and diversify until 2007. The Inland Empire's unemployment rate is significantly above the Southern California average and higher than the State. The higher unemployment rate is due to the seasonal nature of agricultural employment in the area and the sharp decline in construction, manufacturing and logistics jobs. The following exhibit illustrates the area's unemployment compared to California as of May 2013. Unemployment rates have increased 84% from the record low of 5%± in 2006. The unemployment rate peaked in July 2010 at 15.1%.

	Labor Force	Unemployment
California	18,591,000	8.1%
Inland Empire	1,789,500	9.2%

The most common measure of employment growth is the increase in nonagricultural employment. Nonagricultural employment is outlined in the following exhibit. Beginning in the 1980's, the Inland Empire's employment base expanded rapidly as the area moved away from its military and government oriented employment base to a more fully diversified economy.

Nonagricultural employment has grown from an annual average of 443,100 jobs in 1983 to 1,145,600 jobs in 2012. This represents an increase of over 702,000 new jobs created in San Bernardino and Riverside Counties during the past 30 years. Job gains peaked in 1990 with 67,000 new jobs. Since 2000, job increases have ranged from a negative 91,900 new jobs in 2009, to a near record increase of 62,000 new jobs in 2005. However, during 2008, 2009 and 2010, the Inland Empire had losses of over 140,000 jobs. That reduced employment back to 2003-2004 levels. During 2011 and 2012 there was an increase of 34,400 jobs. Over the last five years, job growth has ranged from -7.5% to 1.7%. The following table illustrates the annual employment trends from 1983 through 2012. In May 2013, the non-agricultural employment was 1,164,000, a 1.0% increase from May 2012.

San Bernardino-Riverside MSA
Employment Trends
1983-2012

		Average Annual Change	
Year	Employment	Number	Percent
1983	443,100	--	
1990	735,200	41,700	9.4%
2000	988,400	25,300	3.4%
2001	1,029,700	41,300	4.2%
2002	1,064,500	34,800	3.4%
2003	1,099,200	34,700	3.3%
2004	1,160,000	60,800	5.5%
2005	1,222,000	62,000	5.3%
2006	1,267,700	45,700	3.7%
2007	1,270,900	3,200	0.3%
2008	1,223,800	(47,100)	(3.7%)
2009	1,131,900	(91,900)	(7.5%)
2010	1,111,200	(20,700)	(1.8%)
2011	1,129,700	18,500	1.7%
2012	1,145,600	15,900	1.4%

2012 Benchmark
Source: Employment Development Department 3/13

Employment among the individual industry categories reflects changes in the Inland Empire economy during the past decade. Construction employment gains generally mirror the regional economy. In response to the high level of construction activity that occurred in the County during the period from 1984 to 1989, construction employment reached nearly three times the level recorded in 1982. From 1992 through 1995, construction employment declined in response to decreased building activity. The 2006 levels were more than double the 1993 low. However, since 2006, construction jobs are down 54.2% to 58,400 jobs in 2012.

The number of manufacturing jobs in the Inland Empire has increased over 45% from the levels recorded in 1991. However, manufacturing jobs declined 5.5% from the 2000 high of 120,000 jobs to 113,400 jobs by 2003, then increased back to 123,400 in 2006, but declined to 85,800 in 2011. A small increase occurred in 2012, up to 86,900 jobs. Due to the high labor and capital costs in Los Angeles and Orange Counties, manufacturing firms have expanded or relocated some of their manufacturing operations to Riverside and San Bernardino Counties to take advantage of the labor force and lower land costs. The following table lists the largest employers in San Bernardino and Riverside Counties.

Inland Empire Major Employers		
Name of Company	**Local Employees**	**Type of Business or Entity**
County of San Bernardino	19,000	Local Government
County of Riverside	18,400	Local Government
Stater Bros. Markets	18,221	Supermarket
National Training Center	13,805	Military Training Base
Loma Linda University Adventist Health Science Center	13,000	Higher Education in Health Related Profession
U.S. Marine Corp Air	12,486	Military
United Parcel Service	8,600+	Transportation
S.B. City Unified School District	8,574	Education
March Air Reserve Base	8,525	Military Reserve Base DOD
Ontario International Airport	7,695	Aviation
University of California, Riverside	7,618	Higher Education
Loma Linda University Medical Center	6,147	Medical /Health Care
Kaiser Permanente Medical Center	6,000	Health Care
Riverside Unified School District	5,500	Public Education
Corona-Norco Unified School District	5,147	Public Education
Pechanga Resort and Casino	4,800	Casino/Resort
Fontana Unified School District	4,700	Public Education
Verizon	4,519	Telecommunication
Abbott Vascular	4,500	Medical Device Manufacturer
Moreno Valley Unified School District	3,784	Public Education

Based on ranking of total local employees for businesses that qualify for Book of List Rankings
Source: The Inland Empire Business Journal, 2013 Book of Lists

Transportation and public utilities employment tends to mirror population growth. In the Inland Empire, the finance, insurance and real estate ("FIRE") category is still a small segment of the employment picture.

A significant number of the new jobs created in the last 15 years have been created in the service sector. The service sector will continue to play a major role in employment growth during the next few years. Government employment is a major employment sector in the Inland Empire due to the rapid growth. Government employment declined 4.6% from 2010 to 223,600 jobs in 2012.

The Inland Empire has finally started to show signs of improvement in employment over the last eight months or so. The Inland Empire has seen larger employment growth compared to most other Metropolitan Statistical Areas in California and its unemployment rate has finally shown significant declines. The Inland Empire unemployment rate stood at 12.5% in January 2012, which was 3% above the current rate. However, this data should be evaluated with some caution, with concern that the decline in the unemployment rate is the result of workers giving up their search for employment after the very lengthy and deep recession. Further analysis does indicate, however, that while the labor force shows an increase of 2.5% relative to the trough, employment growth was close to 5%. The effect is that the Inland Empire's decrease in the unemployment rate is caused primarily by growth in employment. The general thinking is that the worst is finally behind us and the Inland Empire and California should continue with positive numbers.

Income

The average household income in Riverside County is estimated to be $70,165. The median household income stands at $53,219. These figures are moderately below the Southern California region average. The lower income level is due to the lower wages in agriculture, manufacturing, service and government employment. The household income distribution for Riverside County is illustrated in the following table.

County of Riverside
Household Income Distribution
2013

Income Range	Households	Percent 1/
Less than $15,000	79,492	11.16%
$15,000 - $24,999	82,266	11.55%
$25,000 - $34,999	76,728	10.78%
$35,000 - $49,999	100,341	14.09%
$50,000 - $74,999	133,435	18.74%
$75,000 - $99,999	91,786	12.89%
$100,000 - $149,999	92,689	13.02%
$150,000 - $199,999	33,722	4.74%
$200,000 or more	21,547	3.03%
Total	712,006	100.00%
Median Household Income		$53,219
Average Household Income		$70,165

1/ Percent of total distribution
Source: Claritas 5/13

Retail Sales

Retail demand continues to be fueled by the growth in population as outlined previously. For Riverside County, taxable retail sales have increased from $3.9 billion in 1985 to over $7.4 billion by 1995 and to over $21.8 billion by 2006. However, in 2007, 2008, and 2009 retail sales declined. The 2010 total of $16,919,500,000 was back to the 2003/2004 retail sales level. In 2011, the total sales were $18,576,284,000, which is at the 2004/2005 level. During the past five years, retail sales growth has ranged from a low of a negative $2.631 billion in 2009 to a positive $1.656 billion in 2011.

The increases in retail sales are due to the exceptionally high County population growth rates experienced during the period from 1983 through 1990. During the period from 1991 through 1993, retail sales were stagnant due to the economic recession. From 1994, and continuing through 2006, there was a significant rebound in retail sales. Due to the prior recession, sales declined in 2007, 2008, and 2009 and were 28.8% below the 2006 sales levels. However, during 2010, retail sales increased 5.4% over the 2009 retail sales and 2011 sales increased 9.8% over the 2010 retail sales. In the future, retail sales growth should reflect the population growth in the County.

Riverside County
Retail Sales Trends 1/
1985-2011

Year	Taxable Retail Sales (000's)	Average Annual Change Number (000's)	Percent
1985	$3,974,400	$319,632	8.7%
1990	$6,596,974	$524,515	13.2%
2000	$12,190,474	$559,350	8.5%
2001	$13,173,281	$982,807	8.1%
2002	$14,250,753	$1,077,472	8.2%
2003	$16,030,952	$1,780,199	12.5%
2004	$18,715,949	$2,684,997	16.7%
2005	$20,839,212	$2,123,263	11.3%
2006	$21,842,345	$1,003,133	4.8%
2007	$21,242,516	($599,829)	(2.7%)
2008	$18,689,249	($2,553,267)	(12.0%)
2009	$16,057,488	($2,631,761)	(14.1%)
2010	$16,919,500	$862,012	5.4%
2011	$18,576,284	$1,656,784	9.8%

1/ Taxable Retail Sales Total (not adjusted for inflation)
Source: State Board of Equalization 3/13

Transportation

Riverside County is served by a major airport, Ontario International, located in adjoining San Bernardino County. Several major airlines have flights into Ontario, while international flights can be booked out of Los Angeles International Airport.

A network of freeways links most urbanized areas of the County. The major north-south arterials are the Corona (I-15) and Escondido (I-215) Freeways. The Pomona Freeway (SH-60) provides east-west access to Los Angeles and the desert areas of Riverside County. The Riverside Freeway (SH-91) provides access to Orange and Los Angeles Counties.

Real Estate

The following table shows Riverside County in relation to the remaining Southern California counties for median price and number of dwellings sold.

Southern California Home Sales

	No. Sold – All Homes			Median Price – All Homes		
County	May 2012	May 2013	Pct. Chg.	May 2012	May 2013	Pct. Chg.
Los Angeles	7,496	7,707	2.8%	$315,000	$410,000	30.2%
Orange County	3,279	3,648	11.3%	$435,000	$540,000	24.1%
Riverside	**3,972**	**3,855**	**-2.9%**	**$205,000**	**$252,000**	**22.9%**
San Bernardino	2,702	2,655	-1.7%	$158.500	$203,000	28.1%
San Diego	3,750	4,236	13.0%	$335,000	$406,500	21.3%
Ventura	993	933	-6.0%	$360,000	$425,000	18.1%
Southern California	22,192	23,034	3.8%	$295,000	$368,000	24.7%

Source: DQNews.com 6/13

During the period from 1988 through 1989, housing values appreciated at rates approaching an average of 15% per annum throughout much of Riverside County and Southern California. During the period from 1990 through 1993 as the economic recession influenced all segments of potential homebuyers, the rate of home price appreciation fell dramatically with declines of approximately 4% to 6% per annum. During 1996 home prices stabilized, and most new subdivisions experienced significant price increases from 1997 to mid-2005, with annual double digit appreciation. Over the past 6± years sales prices have significantly decreased. However, over the last eight months, sales prices have increased on a year-over-year basis.

In Riverside County, 3,855 homes were reported to trade hands in May 2013, which is a decrease of 2.9% from May 2012. While May showed a decrease in sales volume year over year, sales over the past 6 to 12 months have increased significantly from previous years. The decline in sales activity is reportedly not the result of decreased demand, but an inadequate supply. In the first quarter of 2013, the Inland Empire recorded 16,858 seasonally adjusted existing and new home sales. Over the past 11 quarters, sales have ranged from 15,000 and 17,000 per quarter. This market is being fundamentally driven by foreclosures and short sales. Investors are buying over half of the foreclosed homes before they reach the market and a significant share after they reach the market. The high level of investor demand appears to have significantly reduced the excess inventory of existing homes. Prices are reportedly back to their second quarter 2003 level. At this time, builders appear to be testing the market again with increases in sales and pricing. Over the past 12 months, the median sales price has increased 22.9% to $252,000, according to DataQuick.

DataQuick also reported that in May 2013 Southern California sales were at the highest level in seven years, while the Southern California median sales price was up 24.7% over May 2012. This is a vast improvement from the 20% to 25% annual declines on a monthly basis in 2007 and 2008. The Southern California market sold homes at the fastest pace for the month of May in seven years. The pent-up demand for move-up homes and high levels of investor purchases reportedly accounted for the increase in sales. According to DataQuick, the median sales price rose to a 60-month high, which reflects home price appreciation, the decrease in foreclosure resales and increase in demand in the mid to upper markets.

Conclusion

In summary, the region exhibited very strong population and employment growth during the 1980 to 1989 period. The recession of the early 1990s had significantly slowed population growth and resulted in overall job losses from 1990 to 1995. During the following decade, as the economy recovered, population and employment growth were stronger than during the prior growth years of the 1980s. As the past recession took hold in 2008, Riverside County was impacted particularly hard, with plummeting home prices and related job losses. However, the recent double digit year-over-year price increases indicated that the market is in a rebounding phase of the cycle. The long-term outlook for the region remains positive as the elements of abundant affordable land and labor still exist. Future growth will continue to be affected by the trends in the overall economy. Riverside County's economic environment should follow a path similar to that of the other Southern California counties.

City of San Jacinto

CFD No. 2005-2 is located in the City of San Jacinto about 35 miles southeast of the City of Riverside. San Jacinto began in 1870 with the establishment of the San Jacinto Post Office and the City was incorporated in 1888. San Jacinto began growing in the 1960s and 1970s with the nearby development of "Sierra Dawn," the nation's first mobile home subdivision. Other mobile home developments and other retirement developments soon followed and the San Jacinto Valley/Hemet area has been primarily known as a "retirement" community ever since. However, over the past ten years the San Jacinto Valley has attracted families that also considered the Temecula Valley area for home purchases.

San Jacinto is located along the Ramona Expressway and State Highway 79. San Jacinto is north of Hemet. The Soboba Indian Reservation is northeast and unincorporated Riverside County surrounds the two cities. Please refer to the following page for a copy of the Neighborhood Map.

Population

As of the 2010 Census, the City of San Jacinto had a population of 44,199 persons. The current estimate by the State of California Department of Finance is 45,217 residents for 2013, a 2.3% increase. The City projects the population to reach 60,893 persons by 2015.

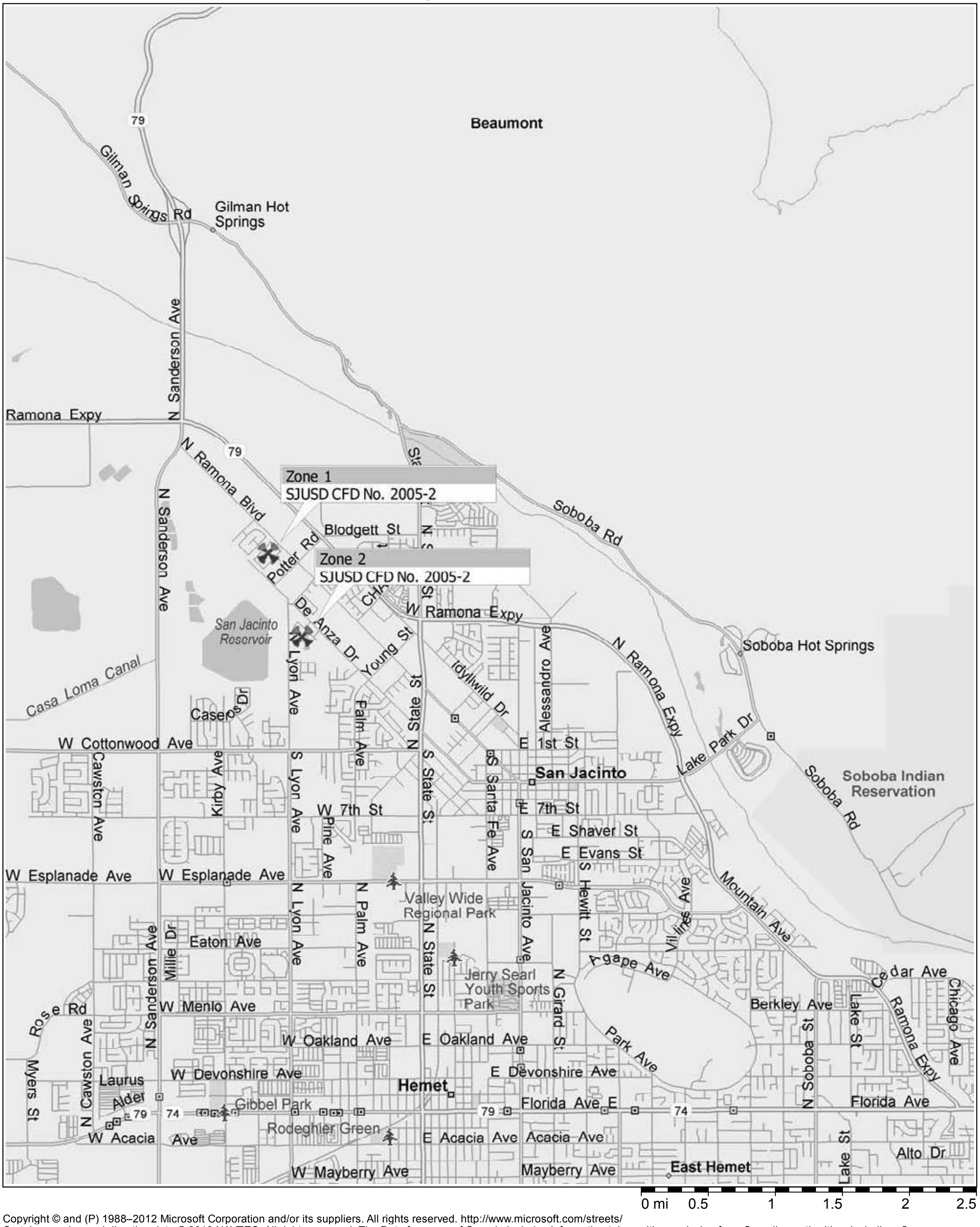
Income Levels

The City of San Jacinto has an income distribution significantly lower than the countywide distribution. The average household income for San Jacinto is reported by Nielson Solution Center at $51,450 as of May 2013. The income should increase as newer residential development continues to occur.

Immediate Surroundings

The subject property is located in the north section of the City of San Jacinto. Other than the subject developments, there are other older residential developments. The primary land use in the immediate surroundings is for single family tract homes. North of the District and Ramona Boulevard is a dairy farm. To the west is raw/farm land. Within the District at the southwest corner of Ramona Boulevard and Ranch View Lane is Potter Ranch Park and includes open space, soccer field, tot lot and basketball courts.

Neighborhood Map



New single family tract homes are generally situated in the eastern and western portions of the City. However, at this time, only one new home project is selling in the City and only three homes within the tract remain to be sold. The homes generally range in size from 1,400 square feet to 2,600 square feet. The last reported base sales prices ranged from $189,990 to $228,990.

Within three miles of the subject are several neighborhood shopping centers providing most standard retail shops and restaurants. Three neighborhood retail centers have opened during the last five to six years at State Street and the Ramona Expressway. Access to the 215 Freeway is approximately seven miles to the west.

Conclusion

The local economy previously experienced economic decline from 2008 into 2012, due largely to the national and state recessions. However, beginning in mid-2012 the markets have stabilized and home price increases have returned. Inflation is reported to remain low, which should keep mortgage rates from rising too steeply while the economy gains strength.

Nationally, the economy has rebounded from the recent recession lows. The Dow Jones Industrial Average (DJIA) and S&P 500 have recently reached new historical highs of over 15,300 and 1,660 respectively. There has been recent volatility in the market and the DJIA is 15,070 as of the date of value. Similarly, the S&P 500 is now at 1,626. Home buyer demand in the San Jacinto/Hemet area and all of Southern California exceeds the supply of homes on the market.

Riverside County experienced an increase of 23% in the median home price from a year ago. The median home price in Riverside County was $252,000 in May 2013. San Bernardino's median home price was $203,000. Home prices continue to increase, and the percentage change is generally increasing on a monthly basis. The subject's market area has experienced improving demand for detached single family homes. The surrounding subject area offers more affordable housing (as compared to most cities along of the Interstate 215 Corridor) while maintaining an average reputation for new housing. As long as the economy continues to grow, employment opportunities improve closer to the subject area, and the cities close to the more urbanized areas become even more expensive areas to live and operate a business in, the San Jacinto/Hemet area is anticipated to continue to experience moderate growth. It is reported that the ownership of 888 Jacinto, LLC is currently in escrow, which consist of 46 finished lots and 12 built dwelling units. The remaining two ownerships report that they anticipate being able to sell their respective lots to merchant builders in 2014.

SITE ANALYSIS

General and Location

The subject property of this appraisal is identified as CFD No. 2005-2. The subject consists of five tract maps proposed for 351 dwelling units in the City of San Jacinto. According to the Community Facilities District Report dated May 24, 2005, prepared by David Taussig & Associates, Inc., the District consists of two noncontiguous properties consisting of 102.43 gross acres divided into Zone 1 and Zone 2. Zone 1 is approximately 72.72 gross acres and is located along Potter Road between Ramona Boulevard and De Anza Drive. Zone 2 is approximately 29.71 gross acres and is located between De Anza Drive and Lyon Avenue. Please refer to Pages 4 and 5 for a boundary map and summary of the site condition of the District as of the date of value.

Current Site Condition

Development of CFD No. 2005-2 includes 87 completed and occupied dwelling units. As of the date of inspection, one additional dwelling unit was built but vacant due to fire damage. This dwelling was sold to an individual homeowner. Twelve additional dwellings appear to be built based on an exterior inspection only. However, the 12 dwellings were not occupied. Weed growth and deferred maintenance had occurred and temporary fencing is in place. Of the 12 dwellings, four were previously used as the model home complex. While there is street access to the dwellings, the streets have been closed off to traffic. The interiors were not inspected. In addition, there are approximately 180 physically finished lots with 19 of the lots improved with slabs and an additional 71 lots that the appraisers did not have access to. Based on distant observation, it appeared that the lots had been graded to a blue-top lot condition, but as of the date of inspection were overgrown with weeds. According to the owner of the 71 lots, sewer and water have also been installed to the lots. According to information provided by the current owner for 159 lots within Zone 1, the costs to bring to a finished lot ready to build condition for the 71 lots is $47,607 per lot. For the 88 physically finished lots owned by this entity, the costs to finish are estimated at $29,919 per lot. The estimated costs reflect the $19,000 per lot from CFD proceeds.

Size and Shape

The District consists of two noncontiguous properties consisting of 102.43 gross acres divided into Zone 1 and Zone 2. Zone 1 is rectangular in shape and consists of approximately 72.72 gross acres proposed for 263 lots. Zone 2 is irregular in shape and consists of approximately 29.71 gross acres proposed for 88 lots.

Soils and Geology

The appraisers were not provided a soil report for the District. All of the District has been graded and improved to 71 blue-top lots with wet utilities installed, 180 physically finished lots, and 100 completed dwellings. For purposes of this appraisal, the soil is assumed to be of adequate load-bearing capacity to support all uses considered under our conclusion of Highest and Best Use.

Topography and Drainage

The District is level at street grade. Drainage is via natural sheet flow and percolation. There are storm drains serving the subject property. Storm drain capacity for the subject was constructed during the development process. During our inspection of the site, we did not observe any drainage problems.

Zoning

The subject property is zoned RL (Residential Low Density). The RL Zone is intended to provide for the development of single family homes on lots ranging in size from 7,200 square feet to 20,000 square feet in a primarily suburban setting. Where there is potential for conflict between suburban and rural uses, the larger lot sizes will be utilized to help buffer potentially incompatible uses. The District is located in a suburban area with minimum lot sizes of 7,200 square feet. The RL Zone is consistent with the Low Density Residential (LDR) land use designation of the General Plan. This Zone allows a density ranging from 2.1 to 5.0 dwelling units per net acre.

Zone 1 consists of four final tract maps. Final Tract Map No. 31037, proposed for 71 dwellings recorded on February 22, 2007; Final Tract Map No. 31037-1, proposed for 93 dwellings, recorded on December 29, 2004; Final Tract Map No. 31037-2, proposed for 27 dwellings, recorded on December 29, 2004; and Final Tract Map No. 31037-3, proposed for 72 dwellings, recorded on February 22, 2007. Zone 2 consists of Final Tract Map No. 31154, proposed for 88 dwelling units, which recorded on September 20, 2005. The subject property is in conformance with all zoning requirements, and is assumed to be in conformance with all governmental regulations.

Access and Circulation

Access to the City is provided by the Ramona Expressway (State Highway 79), which connects to Interstate 215 approximately 13 miles to the west. Zone 1 of the District is accessed by three perimeter streets; Ranch View Lane, Ramona Boulevard and Potter Road/Lyon Avenue. Within Zone 1 the 263 lots are accessed by numerous cul-de-sac streets. Zone 2 is accessed by Lyon Avenue and De Anza Drive. The 88 lots are also accessed by several cul-de-sac streets. Interior streets are improved with one lane in each direction with paving, concrete curbs and gutters, sidewalks and street lights, adjacent to the completed dwellings. All of the streets are improved within Zone 2. Zone 1 has street improvements in place for 192 lots. Seventy-one lots are improved to blue-top lot condition with street improvements still required.

Based on physical inspection of the District it appears that Lots 1 through 15 of Final Tract Map No. 31037-1 are used as a temporary retention basin.

Easements

The appraisers have been provided with one title report for a portion of the District. The report was dated August 25, 2008 and prepared by Stewart Title of California, Inc. The title policy shows the ownership as A.C. Ramona LLC and covers Lots 1 through 32, 39, 43, 48 through 71 and 81 through 89 of Tract 31037-1, Lots 1 through 27 of Tract 31037-2 and Lots 1 through 71 of Tract 31037. The title policy stated that the aforementioned lots were within the City of San Jacinto CFD No. 2003-1. **The title policy did not include a Notice of Special Tax Lien for San Jacinto Unified School District CFD No. 2005-2.** This report covers a portion of the District that the appraisers are not valuing but reporting the Assessed Values only, as instructed by the Finance Team. No other title policies were provided for the appraiser's review. Individual policies for the 88 sold dwelling units were not requested or provided. For purposes of this appraisal, we are not aware of any easements, encroachments or restrictions that would adversely impact the value of the subject properties.

Utilities

The subject property is served by the following companies/agencies:

Electricity	Southern California Edison
Water	Eastern Municipal Water District
Gas	Southern California Gas Company
Sewer	Eastern Municipal Water District
Telephone	Verizon
Police	Riverside County Sheriff's Dept.
Fire	Riverside County Fire Dept.

Earthquake, Flood Hazards, and Nuisances

The subject property, as of the date of valuation, was not located in a designated Earthquake Study Zone as determined by the State Geologist. However, all of Southern California is subject to seismic activity.

The subject property is located in a Zone "X" flood designated area according to Federal Emergency Management Agency Community Panel No. 06065C1490G, dated August 28, 2008. This designation references an area of minimal flooding, which is outside the 500-year flood plain. Flood insurance is not required. No other nuisances or hazards were observed on physical inspection of the subject properties as of the date of value.

Environmental Issues

The subject parcel was previously dry farmed or vacant for many years. The property is reportedly not impacted by any negative environmental issues. The property has been graded to at least blue-top lot condition for all 351 lots with 100 completed dwelling units as of the date of value.

Taxes and Special Taxes

Pursuant to Proposition 13, passed in California in 1978, current Assessed Values may or may not have any direct relationship to current Market Value. Real estate tax increases are limited according to Proposition 13 to a maximum of 2% per year plus bonds, if any. If the property is sold, real estate taxes are normally subject to modification to the then current Market Value.

The subject property falls within the taxing jurisdiction of the Riverside County Assessor's office. The applicable tax rate areas are 10-180, 10-201, and 10-181. The published annual tax rate in this area is 1.1315%. In addition to the base tax rate, there is additional bond indebtedness related to school district debt service, (SJUSD CFD 2005-1).

Depending on house size, the FY 2013/2014 Special Tax per dwelling unit is estimated to range from $720.50 to $874.54. The total overall tax rate is estimated to range between 2.7% and 2.94% of Assessed Values. This is common in the market area, where current home prices are significantly less than the prices the Special Taxes were originally based on. However, most homeowners realize that these higher rates are due to the significantly reduced purchase prices of homes in the current market. A survey of the subject's market area revealed that special Assessment Districts or CFDs encumber most of the competing residential subdivisions.

For the 2012-13 Tax Year, the total Assessed Value for CFD No. 2005-2, is $19,051,254. *According to the office of Willdan Financial Services, the District's Special Tax Consultant, there were 3 parcels in the District with tax delinquencies as of June 13, 2013. The delinquency rate is reported to be approximately 2.28% of the District. It is a specific assumption of this appraisal and estimated values that the delinquencies have been paid in full.* The total property tax is $529,745. Please refer to the table in the Addenda that lists the Fiscal Year 2012/13 Assessed Values and taxes for each ownership of the 351 assessor parcels.

IMPROVEMENT DESCRIPTION

General

CFD No. 2005-2, is proposed for a total development of 351 dwellings on a minimum lot size of 7,200 square feet. As of the date of value, 87 dwellings were built and appeared to be occupied. One additional dwelling had been occupied but was currently vacant due to fire damage. Remediation efforts were in process and estimated to take approximately three months. In addition, there were 12 built but vacant dwelling units.

Zone 1, proposed for 263 dwellings, was originally developed by Alexander Communities which began development of Potter Ranch in 2003. The original developer built 32 dwellings and sold 26 to individual homeowners between 2005 and 2008. In the fall of 2008, 6 near completed dwellings sold to an investment entity along with 159 lots that were in a blue-top lot to physically finished lot condition. The investment entity, CADO San Jacinto LLC, renovated and sold the 6 existing homes in 2009. ***The 32 completed and sold dwellings are a part of the Minimum Market Valuation included in this report.***

Alexander Communities sold 72 lots to Granite Homes in 2007. Granite Homes began development and sales of 14 dwellings during 2007 and 2008. The 14 dwellings were sold to individual homeowners. ***The 14 completed and sold dwellings are a part of the Minimum Market Valuation included in this report.***

Zone 2, proposed for 88 dwellings, was originally developed by Young California Homes for the proposed product of Almaden during 2005 and 2006. Young California Homes built and sold 42 houses. The remaining lots were foreclosed on by Guaranty Bank and then were sold to 46 Almaden San Jacinto, LLC in February 2010. ***The 42 completed and sold dwellings are a part of the Minimum Market Valuation included in this report.***

The valuation included in this appraisal report includes the 88 built and sold dwelling units. The balance of the District includes 12 built and vacant dwelling units under the ownership of 888 Jacinto, LLC. Access was not available to the 12 dwellings and interior improvements are not known. The 12 dwellings are not a part of the valuation. Please refer to the Addenda of this report for a summary of the 88 sold dwellings included in this Appraisal assignment.

The appraisers have not been provided with specifications for the existing improvements within CFD No. 2005-2. The appraisers were provided with floor plans and a sales brochure for the Almaden product and floor plans for the Potter Ranch and La Veranda products. The Almaden product, Zone 2, was reported to be built by Young California Homes, the original developer. The Potter Ranch product was reported to be built by Alexander Communities (Zone 1) and the La Veranda product was reported to originally be built by Granite Homes (Zone 1). General information regarding the previous products has been provided by the current owners and their consultant. For purposes of this appraisal, we have assumed that the quality of construction, functional utility, amenities and features are similar to currently selling projects and meet market demand for product in the subject's market area. The following table summarizes the floor plans for the three products.

CFD No. 2005-2

Product Name	Minimum Lot Size	Home Size	Bdrm/ Bath
Potter Ranch	7,200	2,242	3 / 2
		2,401	3 / 2.5
		2,565	4 / 2.5
		3,006	4 / 2.5
La Veranda	7,200	2,400	4 / 2.5
		2,636	4 / 3
		2,914	5 / 3
		3,055	5 / 3
Almaden	7,200	1,958	4 / 2
		2,538	4 / 3
		2,993	7 / 3

The following list is of some of the construction specifications for the detached single-family homes of the Almaden product. Construction specifications are not available for the Potter Ranch and La Veranda products.

Construction
Units are of Class "D" construction; wood frame and stucco siding with several elevation choices.

Foundations
Foundations are poured concrete. Particle board over wood floor joists for the second floor.

Structural Frame
Consists of 2" x 4" and 2" x 6" wood framing.

Roofs
Roofs are of concrete tile.

Windows
Vinyl dual glazed windows.

Floor Covering
Floor coverings are wall-to-wall carpet in all living areas. Entries are of ceramic tile and kitchen, bathrooms and laundry room are of vinyl.

Interior Finish
Custom trowelled ceiling and painted drywall.

Heating/HVAC
Energy efficient central air conditioning and gas forced air heating.

Kitchens
Kitchens will be equipped with natural wood cabinets and ceramic tile countertops. Each kitchen will include a GE appliance package that includes dishwasher, gas range, self-cleaning oven and microwave.

Bathrooms
Bathrooms will have double sinks with cultured marble countertops, natural wood cabinets, and combination fiberglass shower and tub.

Garage
Garage doors are three car sectional steel roll-up with concrete driveways.

Fireplace
One fireplace per dwelling.

Laundry Facilities
Interior laundry areas.

Exterior
Front yard landscaping with automatic sprinkler system, side and rear yard fencing.

Options
Numerous options and upgrades were available including flooring, cabinet, appliance package and countertop upgrades. Most options and upgrades provided at competing, similar quality developments were offered.

Conclusion of the Improvements

We have not been provided with detailed information regarding quality of construction or specifications for the existing floor plans. Therefore, it is a specific assumption of this appraisal that the quality and utility of the floorplans are similar to the products currently being constructed in the subject's marketplace and that it will generally meet buyer expectations.

Functional Utility

It is an assumption of this appraisal that all of the floor plans are functional, and competitive with current design standards.

Remaining Economic Life

The total/remaining economic life, according to the Marshall Valuation Service, is considered to be 50 years from date of completion.

Homeowners Association

The District is not located within a Homeowners Association.

HIGHEST AND BEST USE

The term *highest and best use* is an appraisal concept that has been defined as follows:

> The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. [4]

The determination of highest and best use, therefore, requires a separate analysis for the land as legally permitted, as if vacant. Next, the highest and best use of the property with its improvements must be analyzed to consider any deviation of the existing improvements from the ideal. "The highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be: legally permissible, physically possible, financially feasible, and maximally productive. These criteria are often considered sequentially."[5] The four criteria interact and, therefore, may also be considered in concert. A use may be financially feasible, but it is irrelevant if it is physically impossible or legally prohibited.

Legally Permissible Use

The legal factors affecting the site and its potential uses are often the most restrictive. These would typically be government regulations such as zoning and building codes.

The subject property is located in the City of San Jacinto in Riverside County. The subject property is zoned RL with a minimum lot size of 7,200 square feet. The five Final Tract Maps were recorded in 2004, 2005 and 2007. The zoning allows for development of 351 single family homes on minimum 7,200 square foot lots. The final

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[4] *The Dictionary of Real Estate Appraisal*, 4th Edition, Pub. by the Appraisal Institute, Chicago, IL., P. 135.

[5] *The Appraisal of Real Estate*, 10th Edition, Pub. By the Appraisal Institute, Chicago, IL., P. 280.

tract maps consist of 351 lots. The existing and proposed uses are considered a legal and conforming use.

Physically Possible Use

CFD No. 2005-2 consists of two noncontiguous properties consisting of 102.43 gross acres divided into Zone 1 and Zone 2. Zone 1 is rectangular in shape and consists of approximately 72.72 gross acres proposed for 263 lots. Zone 2 is irregular in shape and consists of approximately 29.71 gross acres proposed for 88 lots. The District was previously used for agriculture or vacant uses. Zone 1 is bounded by vacant land and a dairy farm to the north. Zone 2 is bounded by vacant land and existing subdivisions. The sites have a flat topography at street grade. This development is a natural extension of existing nearby residential development, located in the City of San Jacinto.

All normal utilities are available to serve the subject site. As of the date of inspection, 87 dwellings were built and appeared to be occupied. One additional dwelling had been occupied but was currently vacant due to fire damage. In addition, there were 12 dwellings that are built but vacant. Physical inspection of the remaining property indicated there were an additional 180 physically finished lots and 71 lots in blue-top lot condition. According to the current ownership, the 71 lots were also improved with water and sewer.

Access is considered to be adequate via the Ramona Expressway (State Highway 79), which connects to Interstate 215 approximately 13 miles to the west. Direct access to Zone 1 is provided by Ramona Boulevard, Lyon Avenue/Potter Road and Ranch View Lane. Direct access to Zone 2 is provided by De Anza Drive and Lyon Avenue.

Based on the physical analysis, the subject property appears to be viable for numerous types of development based on its size and topography. However, the site's location would suggest the lands have a primary use of residential development due to its location and improvements.

Financial Feasibility and Market Conditions

The financial feasibility of the development of the subject property is based on its ability to generate sufficient income and value in excess of the costs to develop the property to its highest and best use. Please refer to the Valuation section of this report, which gives support to the financial feasibility of the existing 88 built and sold dwelling units within CFD No. 2005-2. As previously discussed, only the 88 completed and sold dwelling units are valued in this appraisal assignment. The Finance Team has instructed the appraisers to value only the 88 completed and sold dwelling units within the District. For the remaining 263 lots and dwellings, only the Fiscal Year 2012-13 Assessed Values are reported.

General Market Conditions – Riverside County

The attractiveness of residential development anywhere in Riverside County is evidenced by market activity which has taken place over the last 15± years. Beginning in 1996/1997 and continuing through 2005, significant price increases occurred and incentives and concessions disappeared. The general consensus was that demand for residential land exceeded supply over the 10± year period. Both land sales and home sales showed annual double-digit appreciation from 1996/1997 through 2005. The recent recession had a significant negative impact on the residential market.

The current condition of the housing market is that there is a stabilization and the beginning of improvement after the market decline in sales and prices over the past 6± years. During the beginning of the downturn there were significant increases in cancellation rates, particularly by investors; significant decreases in sales, significant increases in inventory, rising interest rates and significant decreases in sales prices. Incentives and concessions returned in most markets. However, in most markets there had been significant price reductions, particularly for projects that had just entered the market. Current new home pricing, although now stabilized or improving, is still 30% to 40% below the market peak. The decline in demand for residential homes appears to have started in 2006 and continued into 2012. Over the last six to 12 months, the new home market first stabilized and then showed signs of improvement. Recent interviews with new home sales personnel indicated that prices are being increased between 3% and 5% between phases.

Prior to the past recession, the general economy experienced economic growth beginning in the 3rd quarter of 2003, due largely to increased consumer and business spending. The general economy continued to remain strong during 2006, but began weakening in 2007. Over the past six years the general economy has been negatively impacted by the past recession. Inflation continues to remain low, which has kept mortgage rates from rising too steeply over the past several years. However, the Inland Empire's long running housing boom came to a halt in 2007. Prior to the recession, builders in Riverside County increased demand for new housing permits and pulled 34,226 residential permits during 2004 and 34,134 residential permits in 2005. However, demand declined to 25,211 permits in 2006 and 12,453 permits in 2007. The number of permits continued to decline to 5,919 in 2008, to 4,190 permits in 2009, to 4,557 permits in 2010, to the low in 2011 at 3,751 permits and to 4,258 permits in 2012. Demand and sales started to decline the end of 2005 and continued through 2012. According to DataQuick, new home sales were reported to be 28,732 in 2005, 28,232 in 2006, 13,693 in 2007, 7,425 in 2008, 5,094 in 2009, 4,350 in 2010, 3,168 in 2011 and 3,652 in 2012. This protracted reduced demand has resulted in significant decreasing in new home prices, a significant reduction in the number of new home sales and an increase in the number of loan defaults and foreclosures.

The current projection for the housing market is that we are seeing a return to a more balanced and normal market. The past 6± years of low sales volume and declining prices appear to have stabilized, causing property values to plateau or even increase in some areas. Inland Empire homes are more affordable than on the coast. The Inland Empire is expected to continue to draw homebuyers from Orange, Los Angeles and San Diego counties where home prices are significantly higher, especially as those three markets improve.

According to DataQuick, Riverside County's May 2013 home sales decreased 2.9% compared to May 2012. The inventory of homes on the market has continued to impact home prices. Riverside County median home price in May 2013 rose 22.9% to $252,000 from May 2012. One of the reasons for the Inland Empire's weakness in housing demand is due to the lack of listings from sellers. Notices of default decreased every quarter for the last year. Absentee buyers, mainly investors, appear to be purchasing much of the lower priced homes in Riverside County and throughout Southern California. However, due to the declining number of distressed homes, many recent purchases have been at prices above the listing price. Most economists are forecasting that sales rates and sales prices will stabilize or continue to improve. The new homes that are in sales programs currently are generally smaller and lower priced than the new homes that were for sale in 2008/2009.

According to Hanley Wood-Metrostudy, the median price of a new single family home in Riverside County decreased 2.0% between Q1 2012 and Q1 2013. The Q1 2013 median price of a new detached home in Riverside County is reported to be $316,400. This price is still 32%± lower than the County record high median price in March 2007. It is about 11% higher than the low median price reached in September 2009.

The rate of sales in Riverside County increased 45.2% between Q1 2012 and Q1 2013 to 774 sales, according to Hanley Wood-Metrostudy. This is the fourth quarter of increasing sales since the fourth quarter of 2009. These are the only quarters of increasing sales since the second quarter of 2005. The general thinking was that this long term slowdown in sales was due to lack of demand, largely caused by fear of further price declines or lack of financing. The current general opinion is that sales prices, particularly for new homes, have reached an affordable level that is supported by economic growth. Once financing becomes more readily available, demand and sales activity is expected to increase. This could take an additional 3 to 9 months.

Inventory of available homes in the Riverside County marketplace increased dramatically in 2006 and 2007 and home prices began to decline. The rising mortgage rates, tighter loan standards and over-priced homes were considered the main reasons for the slowdown in sales and declining prices. In addition, the investor/speculator had disappeared in most markets, which had also hurt demand. Between 2006 and 2008, sales activity continued to slow, causing inventories of unsold homes to rise. Builders slowed down the pace of construction, and the number of homes built, and unsold inventory started to decline in Riverside County during the last three years. We are of the opinion that the housing market will continue improving in Riverside County in 2013, similar to many other markets.

The sharply lower lot values in the region, combined with a trend toward building smaller and/or less amenitized homes, has resulted in some new houses priced under $250,000. The builders are able to offer better values in homes that buyers can afford and qualify to buy. It is anticipated that the smaller and lower priced homes should continue to stimulate sales. According to interviews with brokers in the subject's immediate area, investors are back in the market, particularly for the under $300,000 dwellings.

Builders within Riverside County sold 3,046 new single-family detached homes and 189 attached homes during 2012. This was up 14.9% for detached homes and 3.3% for attached homes compared to 2011. Builders within Riverside County sold 3,649 new single-family detached homes and 244 condominiums during 2010. Twelve months ending March 2013 indicated a total of 3,364 detached home sales in Riverside County. The preceding twelve months ending March 2012, indicated total detached sales of 2,728. This represents a 23.3% increase in sales.

First quarter 2013 sales represent an increase of 7.7% for new detached product over Q1 2012. Most of the detached homes sold in Riverside County during Q1 2013 are priced under $350,000, and comprise 63%± of the total sales. Sales of homes priced between $250,000 and $349,999 have the most activity, comprising 37.5%± of the detached market. The number of active detached projects in Riverside County was down 21 projects from Q1 2012 and down 5 projects from Q4 2012.

According to Hanley Wood-Metrostudy, there are 1,620 detached dwellings under construction in Riverside County as of Q1 2013. In addition, there are a reported 15,101 lots that are improved to finished lot condition in Riverside County. At the end of Q4 2012 there were 797 dwellings under construction and 27,080 lots were in at least a blue-top lot condition. According to the study prepared by Hanley Wood–Metrostudy, there are 5.6 months of inventory for units under construction as of the first quarter 2013. Total inventory, which includes units under construction, units built but not occupied and model homes; indicates 9.7 months of absorption. The current total inventory absorption of 9.7 months is down from the reported 11.8 months one year ago.

According to an interest rate survey published weekly in the Los Angeles Times, the typical 30-year, fixed rate conforming loan is between 4.10% and 4.25% as of the date of this report. Mortgage rates have been in the 3.50% and 4.00%± range over the past year. While a slight increase in rates may impact demand, we do not anticipate a significant drop in demand, due to the interest rate increases, as long as rates remain near or below the 8.00% level. The current level of interest rates, along with record low sales prices over the past 4 to 5 years, should help to increase sales activity, for qualified buyers.

Riverside - Central Submarket

The District is situated in the Central submarket region which includes the cities and communities of San Jacinto, Menifee, Menifee Valley, Hemet, Homeland, Nuevo, Perris, Quail Valley, Romoland, Sun City and Winchester. The Central submarket region accounted for 122 detached sales during the first quarter of 2013, or a 14.4% market share of the Riverside County market. This sales rate is up 34.1% from the first quarter 2012 sales rate. Another indication of the improving market is that for the first quarter of 2012, the Central submarket had average monthly sales per project of 1.4 units. However, in the first quarter of 2013, the average sales rate per project was 1.7 units per month. The median sales price in the Central submarket has increased over the past year to $252,700, a 4% increase. The median price for the Central submarket is about 38% below the submarket peak of $405,272 in the third quarter of 2006. It is the most affordable submarket in Riverside County with a median price per square foot of

$127.00. The price per square foot in the subject's submarket increased by 2.5%, and the average size of a detached home decreased by 0.4% since the first quarter of 2012.

During the first quarter of 2013, the subject's submarket sold 58 detached homes priced under $250,000; 35 detached homes priced between $250,000 and $299,999 were sold; and 29 homes priced over $300,000 were sold. There were no attached units that sold in the subject's submarket.

Within the Central submarket there are 84 active projects, which is the same as last year at this time. The subject's market area reports 169 unsold standing (built, but unsold) inventory units and 330 unsold units under construction. This is a 10.4 month absorption time for the completed dwellings and units under construction. Total inventory which includes units built, under construction and model homes totals 567 units which equates to an 11.9 month supply at the current sales rate. One year ago total inventory was at 565 units, and the absorption time based on last year's sales rate was 14.4 months. While total inventory basically remained the same, absorption time decreased 17.4% or 2.5 months.

Feasibility

The financial feasibility of the development of the subject property is based on its ability to generate sufficient income and value in excess of the costs to develop the property to its highest and best use. Please refer to the Valuation sections of this report, which give support to the financial feasibility of the existing 88 built and sold dwelling units within CFD No. 2005-2. As previously discussed, only the 88 completed and sold dwelling units are valued in this appraisal assignment.

Most projects throughout San Jacinto and similar markets started to plateau during the first quarter of 2006. Incentives and price reductions were apparent in most tracts in an attempt to find the "new" equilibrium in absorption and sales price, given market conditions at that time. A decline in sales activity and price occurred over the next 6± years. It appears that current prices have achieved an affordability level more consistent with current economic growth. Over the past 8 to 12 months sales have increased and builders have begun to increase sales prices between phase releases. Most economists are predicting a continued return to a more balanced and normal market during 2013.

Currently, the market appears to have stabilized with some modest market improvement. Please refer to the table on the following page that summarizes the actively selling projects most comparable to the subject. As indicated, demand has improved and projects similar to that of the subject are experiencing sales rates around 3 units per month. There is a lack of product in the subject's market area. According to local brokers and sales agents in the area, there is significant demand for product. As indicated on the next page, there is one current listing in the District. The dwelling is reported to be 3,157 square feet with a listing price of $225,000. The dwelling reportedly is highly upgraded. The sales agent for the listing said it was previously in escrow for the listed price but fell out of escrow. The dwelling is reportedly back in escrow above the listing price due to current market conditions. This is a market driven listing, not a short sale or foreclosure. Sales agents reported that sales rates have improved significantly over the last 6-12 months.

Maximally Productive

In considering what uses would be maximally productive for the subject property, we must consider the previously stated legal considerations. We are assuming the land uses allowed under the zoning of the City of San Jacinto are the most productive uses that will be allowed at the present time. Current zoning and approved uses indicate that other alternative uses are not feasible at this time.

Given the moderate, but improving demand for residential product in Riverside County and the San Jacinto/Hemet market area, it is our opinion that development as built provides the highest land value and is, therefore, maximally productive.

San Jacinto Unified School District
Comparable Residential Project Summary
Detached Single Family Homes
June 19, 2013

No.	Project Location	Units	Lot Size	Price Range	Size Range	$/Sq. Ft. Range	No. Sold Start Dt.	Overall Mo. Abs.
				Last Base Sales Prices				
1	**Edgewood**	138	6,000	$189,990	1,394	$136.29	135	2.9
	KB Home			$196,990	1,581	$124.60	Aug-09	
	San Jacinto			$205,990	1,895	$108.70		
				$215,990	2,233	$96.73		
				$228,990	2,616	$87.53		
				Last Base S/P - New Release 6/22/13				
2	**Sagecrest**			$206,990	1,721	$120.27	49	3.2
	Woodside Homes			$216,990	1,953	$111.11	Mar-12	
	Hemet			$232,990	2,376	$98.06		
				$242,990	2,683	$90.57		
3	**Sequoia at Monument Park**	N/A	7,000	$284,990	2,390	$119.24	N/A	N/A
	Osborne Development			$296,990	2,604	$114.05	Not Open	
	Hemet			$301,990	2,783	$108.51	June/July	
				$312,990	3,085	$101.46	2013	
4	**Acacia**	71	7,000	$279,990	2,320	$120.69	47	3.2
	Richmond American Homes			$301,990	2,491	$121.23	Apr-12	
	Beaumont			$310,990	3,059	$101.66		
				$323,695	3,050	$106.13		
				$323,990	3,464	$93.53		
5	**Living Smart**	160	6,500	$260,000	1,900	$136.84	31	14.1
	Pardee Homes			$260,000	1,945	$133.68	Apr-13	
	Beaumont			$264,990	2,030	$130.54		
				$269,490	2,315	$116.41		
				$282,490	2,664	$106.04		
				$303,990	3,099	$98.09		
6	**Subject Property**	1		$225,000	3,157	$71.27	N/A	N/A
	1744 Country Fair Court			highly upgraded dwelling				
	San Jacinto			current escrow - at Listing Price				

Conclusion

Legal, physical, and market considerations have been analyzed to evaluate the highest and best use of the property. This analysis is presented to evaluate the type of uses that will generate the greatest level of future benefits possible from the land.

After reviewing the alternatives available and considering this and other information, it is the opinion of the appraisers that the highest and best use for the subject property, as vacant and as improved, is for residential development similar to the existing subject floor plans.

As Vacant

After reviewing the alternatives available, it is these appraisers' opinion that ultimate development of single-family detached for-sale products, similar to the existing products, is considered the highest and best use of the properties.

As Improved

The existing use is a legal use of the land and the value of the land as improved far exceeds the value of the site if vacant. This means that the existing improvements contribute substantial value to the site. Based on these considerations, it is our opinion that the existing improvements constitute the highest and best use of the subject property.

VALUATION METHODOLOGY

Basis of Valuation

Valuation is based upon general and specific background experience, opinions of qualified informed persons, consideration of all data gathered during the investigative phase of the appraisal, and analysis of all market data available to the appraiser.

Valuation Approaches

Three basic approaches to value are available to the appraiser:

Cost Approach

This approach entails the preparation of a replacement or reproduction cost estimate of the subject property improvements new (maintaining comparable quality and utility) and then deducting for losses in value sustained through age, wear and tear, functionally obsolescent features, and economic factors affecting the property. This is then added to the estimated land value to provide a value estimate.

Income Approach

This approach is based upon the theory that the value of the property tends to be set by the expected net income therefrom to the owner. It is, in effect, the capitalization of expected future income into present worth. This approach requires an estimate of net income, an analysis of all expense items, the selection of a capitalization rate, and the processing of the net income stream into a value estimate.

Direct Comparison Approach

This approach is based upon the principle that the value of a property tends to be set by the price at which comparable properties have recently been sold or for which they can be acquired. This approach requires a detailed comparison of sales of comparable properties with the subject property. One of the main requisites, therefore, is that sufficient transactions of comparable properties be available to provide an accurate indicator of value and that accurate information regarding price, terms, property description, and proposed use be obtained through interview and observation.

HRA

As previously discussed, there are 88 completed and sold dwelling units. ***Only the 88 completed and sold dwelling units are valued in this appraisal assignment. The Finance Team has instructed the appraisers to value only the 88 completed and sold dwelling units within the District. For the remaining 263 lots and dwellings, only their Assessed Values are reported.*** Due to the built-out status of this portion of the District, the appraisers have utilized a mass appraisal technique in the valuation of the completed dwelling units. When implementing a mass appraisal, conservative estimates are to be used in the valuation. It is implicit in mass appraisal that some individual value conclusions will not meet standards of reasonableness, consistency and accuracy. *However, appraisers engaged in mass appraisal have a professional responsibility to ensure that,* ***on an overall basis****, the value conclusions meet attainable standards of accuracy.* The appraisers have used an average conservative value, for the weighted average size unit of the 88 dwellings. By utilizing average value estimates, individual home values could be higher or lower, depending on unit size. However, on an overall basis, the value conclusions are reasonable and meet attainable standards of accuracy.

The balance of the District includes 4 dwellings that were previously used as the model homes and 8 dwellings that appeared to be complete, in terms of exterior improvements. The 12 dwellings had not been sold to individual homeowners and were not occupied as of the date of value. Physical inspection of the remaining property indicated there were 180 physically finished lots and 71 lots in a blue-top lot condition. According to the current owner, the 71 lots were also improved with water and sewer. According to the specific instructions from the District and their Finance Team, the appraisal report includes a reporting of the current Assessed Values, only, for the 263 lots/dwellings.

VALUATION OF DWELLING UNITS

Valuation of Completed Dwelling Units

As previously discussed, there are 88 completed dwelling units which sold to individual homeowners between 2006 and 2009. Resales have continued to occur to the present time. Physical inspection of the District indicated there was one active listing that is reported to be a market driven listing. Please refer to the Addenda of this report for a unit by unit summary of each ownership, date of sale, and sales price. For the valuation of the built and sold dwellings, the appraisers have utilized a mass appraisal technique. When implementing a mass appraisal, conservative estimates are to be used in the valuation. It is implicit in mass appraisal that some individual value conclusions will not meet standards of reasonableness, consistency and accuracy. *However, appraisers engaged in mass appraisal have a professional responsibility to ensure that,* ***on an overall basis****, the value conclusions meet attainable standards of accuracy.* The appraisers have used an average conservative value for the weighted average size unit of the 88 dwellings. By utilizing average value estimates, individual home values could be higher or lower, depending on unit size. However, on an overall basis, the value conclusions are reasonable and meet attainable standards of accuracy.

The 88 sold dwelling units include 32 dwellings built by the original builder, Alexander Communities, which sold 26 dwellings to individual homeowners. Alexander Communities began development of Zone 1, known as Potter Ranch, in 2003 and home sales began in 2005. Subsequently, Alexander Communities sold 72 lots to Granite Homes in 2007. Granite Homes began development and sales of 14 dwellings in 2007/2008. The current ownership of the balance of Zone 1 consisting of 159 lots, also acquired 6 near completed dwellings in the fall of 2008 which were sold to individual homeowners in 2009. Zone 2 was originally developed by Young California Homes for the proposed product of Almaden in 2005/2006. Young California Homes built and sold 42 houses. No further development of the District has occurred. The three investment entities, currently holding title to the balance of the District, plan to sell the remaining lots to merchant builders. Reportedly, 12 near completed dwellings and 46 physically finished lots are in escrow as of the date of this appraisal report.

Given the state of the residential market during the sales of the subject property, assuming a relatively similar average size dwelling unit, it would be reasonable to expect the 2007 average sales price per square foot to be below that of the 2006 average price per square foot, and similarly for the 2008 average price per square foot to be below that of 2007, the 2009 price per square foot to be below that of 2008 and for the 2010 average price per square foot to be below that of 2009. During 2011 the market appeared to start to stabilize with some improvement beginning in 2012. This is reflected in the average prices per square foot for these years. The limited sales for 2013 reflect the continuation of market improvement as previously discussed in this report. Please refer to the Addenda for a summary of each sale within the subject tracts since September 2006. It is also important to note, that as a dwelling unit size increases, all else being similar, the price per square foot usually decreases. Please refer to the following table which summarizes the average size unit, average sales price and average price per square foot for each year.

Summary of Subject Sales

Year	No. of Sales	Avg. Size	Avg. S/P	Avg. $/SF
2006	10	2,556	$370,300	$144.87
2007	11	2,911	$373,864	$128.43
2008	6	3,016	$276,083	$91.53
2009	25	2,724	$175,756	$64.52
2010	10	2,644	$158,000	$59.76
2011	9	2,635	$158,778	$60.26
2012	14	2,626	$169,886	$64.69
2013	3	2,341	$158,667	$67.79

The actual sales within the subject tract reflect the state of the residential market over the timeframe of the sales. The sharp decline in sales price during the seven year sales period reflects the significant negative impact to the residential market during this timeframe from the past recession. As indicated in the summary table, the sales during 2010, 2011 and 2012 are for generally the same average size units. The price per square foot in 2010 and 2011 was essentially the same at $60.00±. The average price per square foot increased by approximately $4.50 or over 7% to $64.69 in 2012. The three 2013 sales indicate an average price per square foot of $67.79, but the average size unit is significantly smaller at 2,341.

The appraisers have given consideration to the recent sales in the District, and current market acceptance as indicated by recent sales activity. As discussed in the Highest and Best Use section of this report, the recession has reportedly ended and market activity has increased significantly over the past 12± months. Not only have sales increased, but sales prices have increased. The overall average size for the 87 sold and occupied dwellings is 2,698 square feet, which is similar to the sales during 2010, 2011, and 2012. We have estimated a value of $65.00 per square foot for the 87 sold and occupied dwellings within the CFD No. 2005-2. The indicated Minimum Market Value for the 87 sold dwelling units within CFD No. 2005-2 is calculated: 2,698 square feet X $65.00 per square foot X 87 dwelling units = $15,257,190.

The built and sold dwelling damaged by fire is located on Lot 84 of Tract 31154 in Zone 2. The unit is 2,993 square feet in size. The appraisers were not able to inspect the interior of the dwelling unit. However, a building inspector at the City of San Jacinto reported that remediation efforts were underway and trusses and wiring needed to be replaced. The inspector estimated a three month construction timeframe before the homeowners could occupy the dwelling. In valuing the "as is" value of this dwelling, the appraisers have conservatively estimated the dwelling to be 60% complete. The estimated Minimum Market Value for the fire damaged dwelling unit within CFD No. 2005-2 is calculated: 2,993 square feet X $65.00 per square foot X 60% = $116,727.

According to the guidelines of this appraisal assignment we are estimating Minimum Market Value for each Zone. The average unit size for Zone 1 is 2,796 square feet and there are 46 completed and sold dwellings within that Zone. The estimated Minimum Market Value for the 46 sold dwelling units within Zone 1 of CFD No. 2005-2 is calculated: 2,796 square feet X $65.00 per square foot X 46 dwelling units = $8,360,040, rounded to $8,360,000.

The average unit size for Zone 2 is 2,588 square feet and there are 41 sold and occupied dwelling units within that Zone. In addition there is one sold and previously occupied dwelling unit that is now vacant due to fire damage. This dwelling unit was previously estimated to have an "as is" Minimum Market Value of $116,727. The estimated Minimum Market Value for the 42 sold dwellings within Zone 2 of CFD No. 2005-2 is calculated: 2,588 square feet X $65.00 per square foot X 41 dwelling units = $6,897,020 + $116,727 = $7,013,747, rounded to $7,015,000.

Minimum Market Value – 88 Dwellings

The total estimated Minimum Market Value for the 88 built and sold dwelling units is $15,375,000.

The estimated Minimum Market Value for the 46 built and sold dwelling units within Zone 1 is $8,360,000. The estimated Minimum Market Value for the 42 built and sold dwelling units within Zone 2 is $7,015,000.

REPORTING OF ASSESSED VALUES

Reporting of Assessed Values – 263 Lots/Dwellings

As previously discussed, the Finance Team has instructed the appraisers to provide a Minimum Market Value for the 88 built and sold dwellings and the report the Assessed Value only for the remaining lots and dwellings within CFD No. 2005-2. Please refer to the Addenda of this report for a lot by lot summary of each lot and the Assessed Values. As indicated, the total Fiscal Year 2012-13 Assessed Value for the 263 lots and dwellings is $4,761,157. The total Fiscal Year 2012-13 Assessed Value for the 46 lots and 12 dwellings under the ownership of 888 Jacinto, LLC is $2,342,258. The total Fiscal Year 2012-13 Assessed Value for the 46 lots under the ownership of 46 Almaden San Jacinto, LLC is $436,678. And the total Fiscal Year 2012-13 Assessed Value for the 159 lots under the ownership of CADO San Jacinto LLC is $1,982,221.

Zone 1 has an indicated Assessed Value for 205 lots and 12 near complete dwellings is $4,324,479. The indicated Assessed Value for the 46 lots within Zone 2 is $436,678.

VALUATION CONCLUSION

Based on the investigation and analyses undertaken, our experience as real estate appraisers, and subject to all the premises, assumptions and limiting conditions set forth in this report, the following opinion of Minimum Market Value is formed as of June 14, 2013.

CFD No. 2005-2 (portion)

MINIMUM MARKET VALUE

88 Built and Sold Dwelling Units

FIFTEEN MILLION THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS
$15,375,000

According to the specific guidelines of the District's Finance Team for CFD No. 2005-2 the appraisers are reporting the Assessed Values for the balance of the District. The balance of the District is under the ownerships of 888 Jacinto, LLC, 46 Almaden San Jacinto, LLC and CADO San Jacinto LLC.

ASSESSED VALUES

263 Lots/Dwellings – Three Ownerships

FOUR MILLION SEVEN HUNDRED SIXTY-ONE THOUSAND
ONE HUNDRED FIFTY-SEVEN DOLLARS
$4,761,157

CERTIFICATION

We hereby certify that during the completion of this assignment, we personally inspected the property that is the subject of this appraisal and that, except as specifically noted:

We have no present or contemplated future interest in the real estate or personal interest or bias with respect to the subject matter or the parties involved in this appraisal.

We have not provided appraisal services regarding the subject property within the last three years to our client, San Jacinto Unified School District.

To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results. The compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

As of the date of this report, James B. Harris has completed the requirements of the continuing education program of the Appraisal Institute.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.

No one provided significant real property appraisal assistance to the persons signing this certificate.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. In furtherance of the aims of the Appraisal Institute to develop higher standards of professional performance by its Members, we may be required to submit to authorized committees of the Appraisal Institute copies of this appraisal and any subsequent changes or modifications thereof.

Respectfully submitted,

Berri Cannon Harris

Berri Cannon Harris
Principal
AG009147

James B Harris

James B. Harris, MAI
Principal
AG001846

ADDENDA

QUALIFICATIONS

HARRIS REALTY APPRAISAL
5100 Birch Street, Suite 200
Newport Beach, CA 92660
(949) 851-1227

QUALIFICATIONS
OF
JAMES B. HARRIS, MAI

PROFESSIONAL BACKGROUND

Actively engaged as a real estate analyst and consulting appraiser since 1971. President and Principal of **Harris Realty Appraisal,** with offices at:

5100 Birch Street, Suite 200
Newport Beach, California 92660

Before forming Harris Realty Appraisal, in 1982, was employed with Real Estate Analysts of Newport, Inc. (REAN) as a Principal and Vice President. Prior to employment with REAN was employed with the Bank of America as the Assistant Urban Appraisal Supervisor. Previously, was employed by the Verne Cox Company as a real estate appraiser.

PROFESSIONAL ORGANIZATIONS

Member of the Appraisal Institute, with MAI designation No. 6508
- Director, Southern California Chapter – 1998, 1999
- Chair, Orange County Branch, Southern California Chapter -1997
- Vice-Chair, Orange County Branch, Southern California Chapter - 1996
- Member, Region VII Regional Governing Committee - 1991 to 1995, 1997, 1998
- Member, Southern California Chapter Executive Committee - 1990, 1997 to 1999
- Chairman, Southern California Chapter Seminar Committee - 1991
- Chairman, Southern California Chapter Workshop Committee - 1990
- Member, Southern California Chapter Admissions Committee - 1983 to 1989
- Member, Regional Standards of Professional Practice Committee -1985 - 1997

Member of the International Right-of-Way Association, Orange County Chapter 67.

California State Certified Appraiser, Number AG001846

EDUCATIONAL ACTIVITIES

B.S., California State Polytechnic University, Pomona, 1972.

Successfully completed the following courses sponsored by the Appraisal Institute and the Right-of-Way Association:

Course I-A	Principles of Real Estate Appraisal
Course I-B	Capitalization Theory
Course II	Urban Properties
Course IV	Litigation Valuation
Course VI	Investment Analysis
Course VIII	Single-Family Residential Appraisal
Course SPP	Standards of Professional Practice
Course 401	Appraisal of Partial Acquisitions

Has attended numerous seminars sponsored by the Appraisal Institute and the International Right-of-Way Association.

TEACHING AND LECTURING ACTIVITIES

Seminars and lectures presented to the Appraisal Institute, the University of California-Irvine, UCLA, California Debt and Investment Advisory Commission, Stone & Youngberg and the National Federation of Municipal Analysts.

MISCELLANEOUS

Member of the Advisory Panel to the California Debt and Investment Advisory Commission, regarding Appraisal Standards for Land Secured Financing (March 2003 through June 2004)

LEGAL EXPERIENCE

Testified as an expert witness in the Superior Court of the County of Los Angeles and the County of San Bernardino and in the Federal Bankruptcy Courts five times concerning the issues of Eminent Domain, Bankruptcy, and Specific Performance. He has been deposed numerous times concerning these and other issues. This legal experience has been for both Plaintiff and Respondent clients. He has prepared numerous appraisals for submission to the IRS, without having values overturned. He has worked closely with numerous Bond Counsel in the completion of 175 Land Secured Municipal Bond Financing appraisals over the last five years.

SCOPE OF EXPERIENCE

Feasibility and Consultive Studies

Feasibility and market analyses, including the use of computer-based economic models for both land developments and investment properties such as shopping centers, industrial parks, mobile home parks, condominium projects, hotels, and residential projects.

Appraisal Projects

Has completed all types of appraisal assignments from San Diego to San Francisco, California. Also has completed out-of-state appraisal assignments in Arizona, Florida, Georgia, Hawaii, Nevada, New Jersey, Oklahoma, Oregon, and Washington.

Residential

Residential subdivisions, condominiums, planned unit developments, mobile home parks, apartment houses, and single-family residences.

Commercial

Office buildings, hotels, motels, retail store buildings, restaurants, power shopping centers, neighborhood shopping centers, and convenience shopping centers.

Industrial

Multi-tenant industrial parks, warehouses, manufacturing plants, and research and development facilities.

Vacant Land

Community Facilities Districts, Assessment Districts, master planned communities, residential, commercial and industrial sites; full and partial takings for public acquisitions.

QUALIFICATIONS
OF
BERRI CANNON HARRIS

PROFESSIONAL BACKGROUND

Actively engaged as a real estate appraiser since 1982. Principal of ***Harris Realty Appraisal***, with offices at:

5100 Birch Street, Suite 200
Newport Beach, California 92660

Before joining Harris Realty Appraisal was employed with Interstate Appraisal Corporation as Assistant Vice President. Prior to employment with Interstate Appraisal was employed with Real Estate Analysts of Newport Beach as a Research Assistant.

PROFESSIONAL ORGANIZATIONS

Appraisal Institute
Co-Chair, Southern California Chapter Hospitality Committee - 1994 - 1998
Chair, Southern California Chapter Research Committee - 1992, 1993

Commercial Real Estate Women (CREW) – Orange County Chapter
Chair, Special Events – 1998 - 2003
Second Vice-President - 1996, 1997
Treasurer - 1993, 1994, 1995
Chair, Network Luncheon Committee - 1991, 1992

California State Certified Appraiser, Number AG009147

EDUCATIONAL ACTIVITIES

B.S., University of Redlands, Redlands, California

Successfully completed the following courses sponsored by the Appraisal Institute:

Principles of Real Estate Appraisal
Basic Valuation Procedures
Capitalization Theory and Techniques - A
Capitalization Theory and Techniques - B
Report Writing and Valuation Analyses
Standards of Professional Practice
Case Studies in Real Estate Valuation

Has attended numerous seminars sponsored by the Appraisal Institute. Has also attended real estate related courses through University of California-Irvine.

LECTURING ACTIVITIES

Seminars and lectures presented to UCLA, California Debt and Investment Advisory Commission, and Stone & Youngberg.

MISCELLANEOUS

Member of the Advisory Panel to the California Debt and Investment Advisory Commission, regarding Appraisal Standards for Land Secured Financing (March 2003 through June 2004)

SCOPE OF EXPERIENCE

Appraisal Projects

Has completed all types of appraisal assignments from San Diego to San Francisco, California. Also has completed out-of-state appraisal assignments in Arizona and Hawaii.

Residential

Residential subdivisions, condominiums, planned unit developments, mobile home parks, apartment houses, and single-family residences.

Commercial

Office buildings, retail store buildings, restaurants, neighborhood-shopping centers, strip retail centers.

Industrial

Multi-tenant industrial parks, warehouses, manufacturing plants, and research and development facilities.

Vacant Land

Residential sites, commercial sites, industrial sites, large multi-unit housing, master planned unit developments, and agricultural acreage. Specializing in Community Facilities District and Assessment District appraisal assignments.

PARTIAL LIST OF CLIENTS

Lending Institutions

Bank of America
Bank One
Commerce Bank
Downey S&L Assoc.
Fremont Investment and Loan
First Los Angeles Bank
Institutional Housing Partners
NationsBank
Preferred Bank
Santa Monica Bank
Tokai Bank
Union Bank
Universal S&L Assoc.
Wells Fargo Bank

Public Agencies

Army Corps of Engineers
California State University
Caltrans
City of Aliso Viejo
City of Beaumont
City of Corona
City of Costa Mesa
City of Encinitas
City of Fontana
City of Fullerton
City of Hemet
City of Hesperia
City of Honolulu
City of Huntington Beach
City of Indian Wells
City of Irvine
City of Lake Elsinore
City of Loma Linda
City of Los Angeles
City of Moreno Valley
City of Newport Beach
City of Oceanside
City of Palm Springs
City of Perris
City of Riverside
City of San Marcos
City of Tustin
City of Victorville
County of Orange
County of Riverside
County of San Bernardino
Eastern Municipal Water District
Orange County Sheriff's Department
Ramona Municipal Water District
Rancho Santa Fe Comm. Services District
Capistrano Unified School District
Hemet Unified School District
Hesperia Unified School District
Romoland School District
Saddleback Valley Unified School District
Santa Ana Unified School District
Val Verde Unified School District
Yucaipa-Calimesa Unified School District

Law Firms

Arter & Hadden
Bronson, Bronson & McKinnon
Bryan, Cave, McPheeters & McRoberts
Richard Clements
Cox, Castle, Nicholson
Gibson, Dunn & Crutcher
Hill, Farrer & Burrill
McClintock, Weston, Benshoof, Rochefort & MacCuish
Palmiri, Tyler, Wiener, Wilhelm, & Waldron
Sonnenschein Nath & Rosenthal
Strauss & Troy
Wyman, Bautzer, Rothman, Kuchel & Silbert

OWNERSHIPS

San Jacinto USD
CFD NO. 2005-2
Ownerships

APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-062-011	31037-3	2	Built/Vacant/Boarded Up	888 Jacinto Llc	3,331	$987,500	$296.46	3/20/2012	127507	7,841	2007
436-062-012	31037-3	3	Built/Vacant/Boarded Up	888 Jacinto Llc	3,112	$987,500	$317.32	3/20/2012	127507	7,841	2007
436-062-013	31037-3	4	Built/Vacant/Boarded Up	888 Jacinto Llc	2,676	$987,500	$369.02	3/20/2012	127507	7,841	2007
436-062-014	31037-3	5	Built/Vacant/Boarded Up	888 Jacinto Llc	3,331	$987,500	$296.46	3/20/2012	127507	7,841	2007
436-062-015	31037-3	6	Built/Vacant/Boarded Up	888 Jacinto Llc	3,112	$987,500	$317.32	3/20/2012	127507	7,841	2007
436-061-037	31037-3	57	Built/Vacant/Boarded Up	888 Jacinto Llc	3,331	$987,500	$296.46	3/20/2012	127507	8,276	2008
436-061-038	31037-3	58	Built/Vacant/Boarded Up	888 Jacinto Llc	3,112	$987,500	$317.32	3/20/2012	127507	8,276	2008
436-061-039	31037-3	59	Built/Vacant/Boarded Up	888 Jacinto Llc	3,331	$987,500	$296.46	3/20/2012	127507	7,841	2008
436-691-004	31037-3	32	Built/Vacant/Old Models	888 Jacinto Llc	3,331	$987,500	$296.46	3/20/2012	127507	13,068	2007
436-691-005	31037-3	33	Built/Vacant/Old Models	888 Jacinto Llc	3,112	$987,500	$317.32	3/20/2012	127507	13,068	2007
436-063-001	31037-3	34	Built/Vacant/Old Models	888 Jacinto Llc	2,898	$987,500	$340.75	3/20/2012	127507	7,405	2007
436-063-002	31037-3	35	Built/Vacant/Old Models	888 Jacinto Llc	2,676	$987,500	$369.02	3/20/2012	127507	7,841	2007
		12	**Built by Vacant Dwellings owned by 888 Jacinto LLC**								
436-062-016	31037-3	7	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,405	
436-062-017	31037-3	8	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	11,326	
436-062-018	31037-3	9	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	10,454	
436-062-019	31037-3	10	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,405	
436-062-020	31037-3	11	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-062-021	31037-3	12	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-062-022	31037-3	13	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-062-023	31037-3	14	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-062-024	31037-3	15	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-062-025	31037-3	16	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-062-026	31037-3	17	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	8,276	
436-690-001	31037-3	18	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	12,197	
436-690-002	31037-3	19	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	9,148	
436-690-003	31037-3	20	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,405	
436-690-004	31037-3	21	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-690-005	31037-3	22	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-690-006	31037-3	23	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-690-007	31037-3	24	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-690-008	31037-3	25	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-690-009	31037-3	26	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-690-010	31037-3	27	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-690-011	31037-3	28	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	8,276	
436-691-001	31037-3	29	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	8,276	
436-691-002	31037-3	30	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-691-003	31037-3	31	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,405	
436-063-003	31037-3	36	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-017	31037-3	37	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-018	31037-3	38	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-019	31037-3	39	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-020	31037-3	40	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-021	31037-3	41	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-022	31037-3	42	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-023	31037-3	43	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-024	31037-3	44	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-025	31037-3	45	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-026	31037-3	46	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-027	31037-3	47	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-028	31037-3	48	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-029	31037-3	49	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-030	31037-3	50	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-031	31037-3	51	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-032	31037-3	52	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-033	31037-3	53	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-034	31037-3	54	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
436-061-035	31037-3	55	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-061-036	31037-3	56	Finished Lot	888 Jacinto Llc		$987,500		3/20/2012	127507	7,841	
		46	**Finished Lots owned by 888 Jacinto LLC**								
436-230-001	31154	1	Finished Lot	Almaden San Jacinto 46						9,583	
436-230-002	31154	2	Finished Lot	Almaden San Jacinto 46						7,841	
436-230-003	31154	3	Finished Lot	Almaden San Jacinto 46						8,712	
436-231-011	31154	14	Finished Lot	Almaden San Jacinto 46						10,454	
436-231-012	31154	15	Finished Lot	Almaden San Jacinto 46						8,712	
436-231-013	31154	16	Finished Lot	Almaden San Jacinto 46						9,148	
436-231-014	31154	17	Finished Lot	Almaden San Jacinto 46						8,712	
436-231-015	31154	18	Finished Lot	Almaden San Jacinto 46						9,148	
436-231-016	31154	19	Finished Lot	Almaden San Jacinto 46						10,019	
436-231-017	31154	20	Finished Lot	Almaden San Jacinto 46						15,246	
436-231-018	31154	21	Finished Lot	Almaden San Jacinto 46						13,068	
436-240-001	31154	22	Finished Lot	Almaden San Jacinto 46						7,841	
436-240-002	31154	23	Finished Lot	Almaden San Jacinto 46						7,841	
436-240-003	31154	24	Finished Lot	Almaden San Jacinto 46						7,405	
436-240-004	31154	25	Finished Lot	Almaden San Jacinto 46						7,405	
436-240-005	31154	26	Finished Lot	Almaden San Jacinto 46						7,841	
436-240-006	31154	27	Finished Lot	Almaden San Jacinto 46						7,405	
436-240-007	31154	28	Finished Lot	Almaden San Jacinto 46						7,405	
436-240-008	31154	29	Finished Lot	Almaden San Jacinto 46						8,276	
436-232-001	31154	30	Finished Lot	Almaden San Jacinto 46						7,841	
436-232-002	31154	31	Finished Lot	Almaden San Jacinto 46						7,841	
436-232-003	31154	32	Finished Lot	Almaden San Jacinto 46						7,841	
436-232-004	31154	33	Finished Lot	Almaden San Jacinto 46						8,712	
436-232-005	31154	34	Finished Lot	Almaden San Jacinto 46						10,019	
436-232-006	31154	35	Finished Lot	Almaden San Jacinto 46						11,326	
436-232-007	31154	36	Finished Lot	Almaden San Jacinto 46						11,761	

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-232-008	31154	37	Finished Lot	Almaden San Jacinto 46						8,712	
436-232-009	31154	38	Finished Lot	Almaden San Jacinto 46						7,405	
436-232-010	31154	39	Finished Lot	Almaden San Jacinto 46						8,712	
436-232-016	31154	45	Finished Lot	Almaden San Jacinto 46						7,405	
436-232-027	31154	56	Finished Lot/Slabs/Overgrown	Almaden San Jacinto 46						7,841	
436-232-028	31154	57	Finished Lot/Slabs/Overgrown	Almaden San Jacinto 46						7,841	
436-240-009	31154	58	Finished Lot	Almaden San Jacinto 46						8,276	
436-240-010	31154	59	Finished Lot	Almaden San Jacinto 46						8,276	
436-240-011	31154	60	Finished Lot	Almaden San Jacinto 46						9,583	
436-240-012	31154	61	Finished Lot	Almaden San Jacinto 46						15,682	
436-240-013	31154	62	Finished Lot	Almaden San Jacinto 46						14,810	
436-240-014	31154	63	Finished Lot	Almaden San Jacinto 46						11,761	
436-240-015	31154	64	Finished Lot	Almaden San Jacinto 46						11,326	
436-240-016	31154	65	Finished Lot	Almaden San Jacinto 46						12,197	
436-240-017	31154	66	Finished Lot	Almaden San Jacinto 46						14,375	
436-240-018	31154	67	Finished Lot	Almaden San Jacinto 46						12,197	
436-241-001	31154	72	Finished Lot	Almaden San Jacinto 46						13,504	
436-241-002	31154	73	Finished Lot/Slabs/Overgrown	Almaden San Jacinto 46						10,890	
436-241-003	31154	74	Finished Lot/Slabs/Overgrown	Almaden San Jacinto 46						10,890	
436-241-004	31154	75	Finished Lot/Slabs/Overgrown	Almaden San Jacinto 46						10,890	
		46	**Finished Lots (5 lots have Slabs) owned by Almaden San Jacinto 46**								
436-050-016	31037-1	16	Finished Lot	San Jacinto Cado						10,890	
436-050-017	31037-1	17	Finished Lot	San Jacinto Cado						7,405	
436-050-018	31037-1	18	Finished Lot	San Jacinto Cado						7,841	
436-050-019	31037-1	19	Finished Lot	San Jacinto Cado						7,841	
436-050-020	31037-1	20	Finished Lot	San Jacinto Cado						7,841	
436-050-021	31037-1	21	Finished Lot	San Jacinto Cado						7,841	
436-050-022	31037-1	22	Finished Lot	San Jacinto Cado						7,841	

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-050-023	31037-1	23	Finished Lot	San Jacinto Cado						8,276	
436-062-001	31037-1	24	Finished Lot	San Jacinto Cado						12,632	
436-062-002	31037-1	25	Finished Lot	San Jacinto Cado						13,504	
436-062-003	31037-1	26	Finished Lot	San Jacinto Cado						7,405	
436-062-004	31037-1	27	Finished Lot	San Jacinto Cado						7,841	
436-051-003	31037-1	43	Finished Lot	San Jacinto Cado						7,841	
436-052-005	31037-1	48	Finished Lot	San Jacinto Cado						7,405	
436-052-006	31037-1	49	Finished Lot	San Jacinto Cado						7,405	
436-052-007	31037-1	50	Finished Lot	San Jacinto Cado						7,405	
436-052-008	31037-1	51	Finished Lot	San Jacinto Cado						7,405	
436-052-009	31037-1	52	Finished Lot	San Jacinto Cado						7,405	
436-052-010	31037-1	53	Finished Lot	San Jacinto Cado						7,841	
436-052-011	31037-1	54	Finished Lot	San Jacinto Cado						7,841	
436-052-012	31037-1	55	Finished Lot	San Jacinto Cado						7,841	
436-052-013	31037-1	56	Finished Lot	San Jacinto Cado						7,405	
436-052-014	31037-1	57	Finished Lot	San Jacinto Cado						7,841	
436-052-015	31037-1	58	Finished Lot	San Jacinto Cado						7,841	
436-052-016	31037-1	59	Finished Lot	San Jacinto Cado						7,841	
436-052-017	31037-1	60	Finished Lot	San Jacinto Cado						7,841	
436-052-018	31037-1	61	Finished Lot	San Jacinto Cado						7,841	
436-052-019	31037-1	62	Finished Lot	San Jacinto Cado						7,841	
436-052-020	31037-1	63	Finished Lot	San Jacinto Cado						7,841	
436-052-021	31037-1	64	Finished Lot	San Jacinto Cado						7,841	
436-052-022	31037-1	65	Finished Lot	San Jacinto Cado						7,841	
436-052-023	31037-1	66	Finished Lot	San Jacinto Cado						7,841	
436-052-024	31037-1	67	Finished Lot	San Jacinto Cado						9,148	
436-052-025	31037-1	68	Finished Lot	San Jacinto Cado						7,841	
436-060-001	31037-2	1	Finished Lot	San Jacinto Cado						8,276	
436-060-002	31037-2	2	Finished Lot	San Jacinto Cado						7,841	

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-060-003	31037-2	3	Finished Lot	San Jacinto Cado						7,405	
436-060-004	31037-2	4	Finished Lot	San Jacinto Cado						7,841	
436-060-005	31037-2	5	Finished Lot	San Jacinto Cado						7,841	
436-060-006	31037-2	6	Finished Lot	San Jacinto Cado						7,405	
436-060-011	31037-2	11	Finished Lot	San Jacinto Cado						7,841	
436-061-001	31037-2	12	Finished Lot	San Jacinto Cado						7,405	
436-061-002	31037-2	13	Finished Lot	San Jacinto Cado						7,841	
436-061-003	31037-2	14	Finished Lot	San Jacinto Cado						7,841	
436-061-004	31037-2	15	Finished Lot	San Jacinto Cado						7,841	
436-061-005	31037-2	16	Finished Lot	San Jacinto Cado						7,405	
436-061-006	31037-2	17	Finished Lot	San Jacinto Cado						7,841	
436-061-007	31037-2	18	Finished Lot	San Jacinto Cado						7,841	
436-061-008	31037-2	19	Finished Lot	San Jacinto Cado						8,276	
436-061-009	31037-2	20	Finished Lot	San Jacinto Cado						8,276	
436-061-010	31037-2	21	Finished Lot	San Jacinto Cado						7,405	
436-061-011	31037-2	22	Finished Lot	San Jacinto Cado						9,148	
436-061-012	31037-2	23	Finished Lot	San Jacinto Cado						8,712	
436-061-013	31037-2	24	Finished Lot	San Jacinto Cado						8,712	
436-061-014	31037-2	2S	Finished Lot	San Jacinto Cado						9,583	
436-061-015	31037-2	26	Finished Lot	San Jacinto Cado						7,405	
436-061-016	31037-2	27	Finished Lot	San Jacinto Cado						7,841	
436-050-001	31037-1	1	Finished Lot/Retention Basin	San Jacinto Cado						8,712	
436-050-002	31037-1	2	Finished Lot/Retention Basin	San Jacinto Cado						7,841	
436-050-003	31037-1	3	Finished Lot/Retention Basin	San Jacinto Cado						7,841	
436-050-004	31037-1	4	Finished Lot/Retention Basin	San Jacinto Cado						7,405	
436-0S0-005	31037-1	5	Finished Lot/Retention Basin	San Jacinto Cado						7,405	
436-050-006	31037-1	6	Finished Lot/Retention Basin	San Jacinto Cado						7,841	
436-050-007	31037-1	7	Finished Lot/Retention Basin	San Jacinto Cado						7,841	
436-050-008	31037-1	8	Finished Lot/Retention Basin	San Jacinto Cado		$99,000		3/6/1987	62573	7,405	

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-050-009	31037-1	9	Finished Lot/Retention Basin	San Jacinto Cado						7,841	
436-050-010	31037-1	10	Finished Lot/Retention Basin	San Jacinto Cado						7,841	
436-050-011	31037-1	11	Finished Lot/Retention Basin	San Jacinto Cado						7,841	
436-050-012	31037-1	12	Finished Lot/Retention Basin	San Jacinto Cado						7,405	
436-050-013	31037-1	13	Finished Lot/Retention Basin	San Jacinto Cado						7,841	
436-050-014	31037-1	14	Finished Lot/Retention Basin	San Jacinto Cado						7,405	
436-050-015	31037-1	15	Finished Lot/Retention Basin	San Jacinto Cado						10,019	
436-062-005	31037-1	28	Finished Lot	San Jacinto Cado						7,405	
436-062-006	31037-1	29	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,841	
436-062-007	31037-1	30	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,841	
436-062-008	31037-1	31	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,841	
436-062-009	31037-1	32	Finished Lot	San Jacinto Cado						7,841	
436-052-026	31037-1	69	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,841	
436-052-027	31037-1	70	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,841	
436-052-028	31037-1	71	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,841	
436-052-039	31037-1	82	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,841	
436-052-040	31037-1	83	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,405	
436-052-041	31037-1	84	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,405	
436-052-042	31037-1	85	Finished Lot/Slabs/Overgrown	San Jacinto Cado						9,148	
436-052-043	31037-1	86	Finished Lot/Slabs/Overgrown	San Jacinto Cado						11,326	
436-052-044	31037-1	87	Finished Lot/Slabs/Overgrown	San Jacinto Cado						12,632	
436-052-045	31037-1	88	Finished Lot/Slabs/Overgrown	San Jacinto Cado						7,405	
436-052-046	31037-1	89	Finished Lot/Slabs/Overgrown	San Jacinto Cado						8,712	
		88	**Finished Lots (14 with slabs, 15 used as a retention basin)**								
436-690-017	31037	6	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-018	31037	7	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-019	31037	8	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-020	31037	9	No Access/Blue-top	San Jacinto Cado						7,405	
436-690-021	31037	10	No Access/Blue-top	San Jacinto Cado						7,841	

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-690-022	31037	11	No Access/Blue-top	San Jacinto Cado						11,761	
436-690-023	31037	12	No Access/Blue-top	San Jacinto Cado						8,712	
436-690-024	31037	13	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-025	31037	14	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-026	31037	15	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-027	31037	16	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-028	31037	17	No Access/Blue-top	San Jacinto Cado						8,712	
436-690-029	31037	18	No Access/Blue-top	San Jacinto Cado						11,761	
436-690-030	31037	19	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-031	31037	20	No Access/Blue-top	San Jacinto Cado						7,405	
436-690-032	31037	21	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-033	31037	22	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-034	31037	23	No Access/Blue-top	San Jacinto Cado						7,841	
436-690-035	31037	24	No Access/Blue-top	San Jacinto Cado						8,712	
436-692-001	31037	25	No Access/Blue-top	San Jacinto Cado						7,405	
436-692-002	31037	26	No Access/Blue-top	San Jacinto Cado						7,405	
436-692-003	31037	27	No Access/Blue-top	San Jacinto Cado						10,454	
436-692-004	31037	28	No Access/Blue-top	San Jacinto Cado						10,454	
436-692-005	31037	29	No Access/Blue-top	San Jacinto Cado						10,454	
436-692-006	31037	30	No Access/Blue-top	San Jacinto Cado						10,890	
436-692-007	31037	31	No Access/Blue-top	San Jacinto Cado						10,890	
436-692-008	31037	32	No Access/Blue-top	San Jacinto Cado						10,454	
436-692-009	31037	33	No Access/Blue-top	San Jacinto Cado						10,454	
436-692-010	31037	34	No Access/Blue-top	San Jacinto Cado						10,454	
436-692-011	31037	35	No Access/Blue-top	San Jacinto Cado						7,405	
436-692-012	31037	36	No Access/Blue-top	San Jacinto Cado						7,405	
436-691-006	31037	37	No Access/Blue-top	San Jacinto Cado						9,148	
436-691-007	31037	38	No Access/Blue-top	San Jacinto Cado						8,276	
436-691-008	31037	39	No Access/Blue-top	San Jacinto Cado						7,841	

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-691-009	31037	40	No Access/Blue-top	San Jacinto Cado						8,276	
436-691-010	31037	41	No Access/Blue-top	5an Jacinto Cado						8,276	
436-691-011	31037	42	No Access/Blue-top	San Jacinto Cado						8,276	
436-691-012	31037	43	No Access/Blue-top	San Jacinto Cado						8,276	
436-691-013	31037	44	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-014	31037	45	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-015	31037	46	No Access/Blue-top	San Jacinto Cado						7,405	
436-691-016	31037	47	No Access/Blue-top	San Jacinto Cado						8,712	
436-691-017	31037	48	No Access/Blue-top	San Jacinto Cado						13,068	
436-691-018	31037	49	No Access/Blue-top	San Jacinto Cado						13,504	
436-691-019	31037	50	No Access/Blue-top	San Jacinto Cado						8,712	
436-691-020	31037	51	No Access/Blue-top	San Jacinto Cado						7,405	
436-691-021	31037	52	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-022	31037	53	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-023	31037	54	No Access/Blue-top	San Jacinto Cado						8,276	
436-691-024	31037	55	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-025	31037	56	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-026	31037	57	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-027	31037	58	No Access/Blue-top	San Jacinto Cado						7,405	
436-691-028	31037	59	No Access/Blue-top	San Jacinto Cado						8,712	
436-691-029	31037	60	No Access/Blue-top	San Jacinto Cado						13,068	
436-691-030	31037	61	No Access/Blue-top	San Jacinto Cado						12,632	
436-691-031	31037	62	No Access/Blue-top	San Jacinto Cado						8,712	
436-691-032	31037	63	No Access/Blue-top	San Jacinto Cado						7,405	
436-691-033	31037	64	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-034	31037	65	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-035	31037	66	No Access/Blue-top	San Jacinto Cado						7,405	
436-691-036	31037	67	No Access/Blue-top	San Jacinto Cado						13,068	
436-691-037	31037	68	No Access/Blue-top	San Jacinto Cado						13,068	

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-691-038	31037	69	No Access/Blue-top	San Jacinto Cado						7,405	
436-691-039	31037	70	No Access/Blue-top	San Jacinto Cado						7,841	
436-691-040	31037	71	No Access/Blue-top	San Jacinto Cado						8,276	
436-690-012	31037	1	No Access/Fin to Blue-top	San Jacinto Cado						8,276	
436-690-013	31037	2	No Access/Fin to Blue-top	San Jacinto Cado						7,841	
436-690-014	31037	3	No Access/Fin to Blue-top	San Jacinto Cado						7,841	
436-690-015	31037	4	No Access/Fin to Blue-top	San Jacinto Cado						7,841	
436-690-016	31037	5	No Access/Fin to Blue-top	San Jacinto Cado						7,841	
		71	**No Access to Inspect; Appear to be mostly Blue-Top Lots owned by San Jacinto Cado**								
436-052-002	31037-1	45	Built/Occupied	Alonso Barba	3,157	$190,000	$60.18	9/4/2009	464708	7,841	2006
436-060-009	31037-2	9	Built/Occupied	Andrea S Smith	2,242	$168,000	$74.93	2/23/2010	81110	7,405	2005
436-052-029	31037-1	72	Built/Occupied	Andrew M & Irene M Seitl	2,571	$335,000	$130.30	7/5/2007	437973	7,841	2007
436-060-013	31037-1	34	Built/Occupied	Angel Ruiz	2,414	$359,500	$148.92	10/26/2006	788249	7,841	2006
436-232-024	31154	53	Built/Occupied	Arkadiusz M & Rhonda J Jedraszek	2,993	$173,000	$57.80	6/19/2009	313715	7,405	2007
436-061-048	31037-3	68	Built/Occupied	Armando V & Leticia C Sanchez	3,112	$405,000	$130.14	8/10/2007	517961	10,019	2007
436-231-005	31154	8	Built/Occupied	Armando Villicana	2,993	$187,500	$62.65	12/30/2011	579834	8,712	2006
436-230-009	31154	82	Built/Occupied	Benjamin Herrera	2,538	$170,000	$66.98	7/23/2012	343739	10,454	2006
436-232-013	31154	42	Built/Occupied	Billy White	2,993	$399,000	$133.31	12/29/2006	955785	8,712	2006
436-060-014	31037-1	35	Built/Occupied	Brad Wilcox	2,571	$369,000	$143.52	11/7/2006	819434	7,405	2006
436-232-025	31154	54	Built/Occupied	Brian Charles & Amy Renee King	2,538	$165,909	$65.37	6/26/2009	327551	7,841	2007
436-060-008	31037-2	8	Built/Occupied	Catherine R Johnson	2,414	$180,000	$74.57	9/18/2009	487797	8,276	2005
436-060-015	31037-1	36	Built/Occupied	Cody & Angela Ridley	3,157	$165,000	$52.26	4/27/2010	191011	7,841	2006
436-232-017	31154	46	Built/Occupied	Daniel & Alan Cruthers	2,538	$181,000	$71.32	7/6/2009	345112	8,276	2006
436-052-047	31037-1	90	Built/Occupied	David B Martinez	2,414	$176,000	$72.91	1/13/2009	15026	8,712	2006
436-051-002	31037-1	42	Built/Occupied	David H Levy	2,571	$145,000	$56.40	3/6/2012	102268	7,405	2006
436-231-008	31154	11	Built/Occupied	Debra Celeste Robinson	1,958	$329,500	$168.28	5/25/2007	348287	8,276	2006
436-230-004	31154	77	Built/Occupied	Debra Deborn	2,993	$165,000	$55.13	5/13/2009	238874	11,326	2007
436-061-049	31037-3	69	Built/Occupied	Dimas & Diane Gonzalez	2,898	$150,000	$51.76	4/2/2010	152554	7,405	2007

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-240-022	31154	71	Built/Occupied	Earl & Delores Barber	2,993	$438,000	$146.34	11/30/2006	878684	12,197	2006
436-062-010	31037-3	1	Built/Occupied	Earnest J Kirby	2,676	$340,000	$127.06	11/30/2007	722329	8,276	2007
436-230-007	31154	80	Built/Occupied	Ebelio & Maria Rivas	1,958	$146,000	$74.57	9/8/2011	399119	11,326	2007
436-061-050	31037-3	70	Built/Occupied	Elsa C & Martin Escamilla	3,331	$357,500	$107.33	11/9/2007	685251	7,841	2007
436-060-016	31037-1	37	Built/Occupied	Elvira Annette Sapien	2,571	$152,500	$59.32	3/26/2010	139166	7,405	2006
436-230-005	31154	78	Built/Occupied	Enrique & Elva J Cordero	2,538	$163,500	$64.42	6/2/2009	278493	11,761	2007
436-052-035	31037-1	78	Built/Occupied	Enrique & Veronica A Batiz	3,157	$367,000	$116.25	8/9/2007	515370	9,148	2007
436-232-012	31154	41	Built/Occupied	Erin Jo Rathert	2,538	$164,000	$64.62	5/19/2009	250850	9,148	2006
436-060-007	31037-2	7	Built/Occupied	Ernestine G Barrios	2,571	$185,000	$71.96	8/20/2009	433716	13,939	2005
436-231-010	31154	13	Built/Occupied	Esteban Cervantes Cortez	2,993	$202,500	$67.66	1/2/2009	450	9,583	2006
436-232-020	31154	49	Built/Occupied	Ethel Gamez	2,538	$179,000	$70.53	12/7/2009	627804	9,583	2007
436-060-017	31037-1	38	Built/Occupied	Fabiola V Fierros	3,157	$179,500	$56.86	9/4/2012	420514	7,405	2006
436-231-009	31154	12	Built/Occupied	Fred & Jane H Robinson	2,538	$140,000	$55.16	6/13/2012	273126	9,148	2006
436-052-001	31037-1	44	Built/Occupied	Gail Vitek	2,242	$140,000	$62.44	4/29/2013	200491	7,841	2006
436-232-022	31154	51	Built/Occupied	Gary S & Linda G Buckley	2,993	$165,000	$55.13	7/21/2009	376590	9,148	2007
436-052-037	31037-1	80	Built/Occupied	Gordon & Don X Chen	2,571	$158,500	$61.65	6/30/2009	332505	7,405	2007
436-061-052	31037-3	72	Built/Occupied	Idlof Anthony G Eggleston	3,331	$175,000	$52.54	5/26/2011	232263	7,841	2007
436-231-006	31154	9	Built/Occupied	Israel I Garcia	2,538	$165,000	$65.01	3/1/2013	103191	12,632	2006
436-060-012	31037-1	33	Built/Occupied	James & Karen Isbell	3,157	$157,000	$49.73	3/16/2012	123285	8,276	2006
436-240-020	31154	69	Built/Occupied	James & Victoria Comehn	2,993	$170,000	$56.80	4/13/2012	169511	12,197	2006
436-052-048	31037-1	91	Built/Occupied	John & Rita Koran	2,571	$364,000	$141.58	10/18/2006	766131	7,405	2006
436-061-044	31037-3	64	Built/Occupied	John D Dunn	3,112	$260,000	$83.55	9/19/2008	513726	7,405	2007
436-231-002	31154	5	Built/Occupied	Jorge A & Suann D Martinez	2,993	$222,500	$74.34	9/19/2008	513923	7,405	2006
436-052-032	31037-1	75	Built/Occupied	Jorge Michel	2,414	$340,000	$140.85	8/22/2007	540112	8,712	2007
436-052-003	31037-1	46	Built/Occupied	Jose A Montes	2,571	$370,500	$144.11	12/12/2006	909726	7,405	2006
436-232-019	31154	48	Built/Occupied	Joseph & Jose Lopez	1,958	$135,000	$68.95	3/14/2012	119329	11,326	2006
436-241-006	31154	85	Built/Occupied	Juan Valdez	2,993	$284,000	$94.89	6/13/2008	323339	10,890	2006
436-061-040	31037-3	60	Built/Occupied	Kimberly A Placencia	2,676	$270,000	$100.90	5/16/2008	266073	7,841	2008
436-060-018	31037-1	39	Built/Occupied	Kristi D Sbabo	2,414	$173,500	$71.87	5/7/2009	227279	13,504	2006

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-052-030	31037-1	73	Built/Occupied	Layvas Family Trust	2,242	$171,000	$76.27	3/12/2013	120546	7,841	2007
436-052-004	31037-1	47	Built/Occupied	Linda S Cato	2,242	$137,000	$61.11	8/31/2010	417370	7,841	2006
436-241-009	31154	88	Built/Occupied	Lorenzo Cobian	2,538	$347,500	$136.92	9/22/2006	702063	10,890	2006
436-052-036	31037-1	79	Built/Occupied	Luis Oseguera	2,414	$140,000	$58.00	3/3/2011	98434	7,405	2007
436-231-007	31154	10	Built/Occupied	Lupe M & Sharon L Ortiz	2,993	$200,000	$66.82	11/18/2009	597541	8,712	2006
436-052-049	31037-1	92	Built/Occupied	Marcos & Maria Rodriguez	3,157	$374,000	$118.47	1/5/2007	12849	7,841	2006
436-231-004	31154	7	Built/Occupied	Maria Celia Contreras	2,538	$135,000	$53.19	12/29/2010	622926	7,405	2006
436-052-034	31037-1	77	Built/Occupied	Mary Elizabeth Parker	2,414	$146,500	$60.69	9/2/2011	393872	9,148	2007
436-232-015	31154	44	Built/Occupied	Michelle L Roach	2,538	$165,000	$65.01	6/27/2012	298755	7,405	2006
436-240-019	31154	68	Built/Occupied	Miguel & Bernardina Rodriguez	2,538	$362,500	$142.83	10/25/2006	785238	12,197	2006
436-240-021	31154	70	Built/Occupied	Miguel Angel Rodarte	2,538	$169,000	$66.59	12/30/2010	624913	12,197	2006
436-230-008	31154	81	Built/Occupied	Paso De Record Llc	1,958	$136,500	$69.71	1/5/2012	4589	10,454	2006
436-241-005	31154	76	Built/Occupied	Patricia R & Christopher D Swartz	2,538	$136,500	$53.78	1/5/2012	4586	10,890	2007
436-230-010	31154	83	Built/Occupied	Philip D & Kerri A Giles	1,958	$155,000	$79.16	5/19/2009	251709	10,454	2006
436-232-026	31154	55	Built/Occupied	Ramon & Vanessa Flores	2,993	$165,000	$55.13	7/10/2009	358657	7,841	2007
436-232-014	31154	43	Built/Occupied	Ray A Contreras & Rosa Mara Garay	2,993	$172,000	$57.47	7/21/2011	319523	10,890	2006
436-232-021	31154	50	Built/Occupied	Raymond J Rodriguez	1,958	$145,000	$74.06	5/27/2009	266691	7,405	2007
436-231-001	31154	4	Built/Occupied	Raymond Milton Martinez	2,538	$160,000	$63.04	9/14/2011	408657	7,405	2006
436-061-043	31037-3	63	Built/Occupied	Renzo Mayorga	2,676	$160,000	$59.79	10/30/2009	562908	7,841	2007
436-061-042	31037-3	62	Built/Occupied	Richard & Rachael Tovar	3,331	$476,500	$143.05	8/9/2007	515364	8,276	2007
436-060-010	31037-2	10	Built/Occupied	Richard B & Sandra Lee Gomez	3,012	$189,000	$62.75	8/27/2009	447600	7,841	2005
436-052-033	31037-1	76	Built/Occupied	Richard D & Cynthia A Johnston	3,157	$430,500	$136.36	4/18/2007	259723	10,019	2007
436-232-023	31154	52	Built/Occupied	Richard D & Rose V Jasper	1,958	$150,000	$76.61	4/23/2012	183910	8,276	2007
436-232-018	31154	47	Built/Occupied	Robert H & Robyn M Stangel	2,993	$198,000	$66.15	7/14/2009	361628	7,405	2006
436-061-041	31037-3	61	Built/Occupied	Roberto Karlos & Carla Deniz Peraza	3,331	$280,000	$84.06	8/22/2008	465154	8,276	2008
436-241-007	31154	86	Built/Occupied	Roger A & Irene J Otero	2,538	$273,909	$107.92	5/1/2012	198584	10,890	2006
436-061-046	31037-3	66	Built/Occupied	Ronald Baron	3,112	$175,000	$56.23	10/31/2011	481259	10,019	2007
436-060-019	31037-1	40	Built/Occupied	Santiago Guzman	3,157	$175,000	$55.43	10/21/2009	543834	8,276	2006
436-061-051	31037-3	71	Built/Occupied	Simon B Nguyen	2,676	$165,500	$61.85	10/25/2010	510033	7,841	2007

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-230-006	31154	79	Built/Occupied	Stephanie E Shenah	2,993	$340,000	$113.60	1/3/2008	2548	11,761	2007
436-052-050	31037-1	93	Built/Occupied	Steven & Deborah Ross	2,242	$163,000	$72.70	1/29/2010	43362	7,841	2006
436-052-038	31037-1	81	Built/Occupied	Tellez Robin L Liles	3,157	$185,000	$58.60	6/25/2009	324153	7,405	2007
436-241-008	31154	87	Built/Occupied	Tena Louise Blair	1,958	$326,500	$166.75	9/15/2006	686431	10,890	2006
436-061-047	31037-3	67	Built/Occupied	Thomas Frank & Tara Nicole Andreass	3,331	$175,000	$52.54	3/31/2010	145234	9,148	2007
436-061-045	31037-3	65	Built/Occupied	Tiana & Oscar Cruz	3,331	$240,000	$72.05	11/15/2012	553739	8,712	2007
436-231-003	31154	6	Built/Occupied	Tunantu Ojeda	1,958	$127,000	$64.86	7/28/2011	330508	7,405	2006
436-052-031	31037-1	74	Built/Occupied	Ubaldo Cadena	3,157	$357,500	$113.24	9/6/2007	568841	7,405	2007
436-051-001	31037-1	41	Built/Occupied	Vincent P & Maryann H Balajadia	2,414	$366,500	$151.82	10/18/2006	766132	7,405	2006
436-232-011	31154	40	Built/Occupied	Yadira Lopez	2,993	$180,000	$60.14	5/31/2012	248872	9,583	2006
		87	**Total Built & Occupied Dwellings**								
436-230-011	31154	84	Built/vacant/fire damage	Larry & Tia U K Judge	2,993	$200,000	$66.82	6/23/2009	317828	10,890	2006
		1	**Built & vacant due to Fire Damage, individually owned**								

ASSESSED VALUES & TAXES

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Summary of Assessed Values and Taxes

APN	Tract	Lot	Owner Name	Base Year Current Owner	Base Year of Parcel	Land Value	Imp. Value	Total Value	Assmt. Year	Land Value	Imp. Value	Total Value	Prop. Tax
436-062-011	31037-3	2	888 Jacinto Llc	2013	2008	$40,800	$60,180	$100,980	2012	$41,107	$138,736	$179,843	$4,701.84
436-062-012	31037-3	3	888 Jacinto Llc	2013	2008	$40,800	$54,060	$94,860	2012	$41,107	$133,597	$174,704	$4,571.94
436-062-013	31037-3	4	888 Jacinto Llc	2013	2008	$40,800	$47,940	$88,740	2012	$41,000	$122,000	$163,000	$4,306.30
436-062-014	31037-3	5	888 Jacinto Llc	2013	2008	$40,800	$60,180	$100,980	2012	$41,107	$138,736	$179,843	$4,701.84
436-062-015	31037-3	6	888 Jacinto Llc	2013	2008	$40,800	$54,060	$94,860	2012	$41,107	$133,597	$174,704	$4,571.94
436-062-016	31037-3	7	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-017	31037-3	8	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-018	31037-3	9	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-019	31037-3	10	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-020	31037-3	11	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-021	31037-3	12	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-022	31037-3	13	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-023	31037-3	14	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-024	31037-3	15	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-025	31037-3	16	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-062-026	31037-3	17	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-001	31037-3	18	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-002	31037-3	19	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-003	31037-3	20	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-004	31037-3	21	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-005	31037-3	22	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-006	31037-3	23	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-007	31037-3	24	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-008	31037-3	25	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-009	31037-3	26	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-010	31037-3	27	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-690-011	31037-3	28	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-691-001	31037-3	29	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-691-002	31037-3	30	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-691-003	31037-3	31	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-691-004	31037-3	32	888 Jacinto Llc	2013	2008	$40,800	$127,500	$168,300	2012	$41,107	$138,736	$179,843	$4,701.90
436-691-005	31037-3	33	888 Jacinto Llc	2013	2008	$40,800	$117,300	$158,100	2012	$41,107	$133,597	$174,704	$4,572.00
436-063-001	31037-3	34	888 Jacinto Llc	2013	2008	$40,800	$112,200	$153,000	2012	$41,107	$118,182	$159,289	$4,279.58
436-063-002	31037-3	35	888 Jacinto Llc	2013	2008	$40,800	$107,100	$147,900	2012	$41,000	$122,000	$163,000	$4,306.30
436-063-003	31037-3	36	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20

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APN	Tract	Lot	Owner Name	Base Year Current Owner	Base Year of Parcel	Land Value	Imp. Value	Total Value	Assmt. Year	Land Value	Imp. Value	Total Value	Prop. Tax
436-061-017	31037-3	37	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-018	31037-3	38	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-019	31037-3	39	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-020	31037-3	40	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-021	31037-3	41	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-022	31037-3	42	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-023	31037-3	43	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-024	31037-3	44	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-025	31037-3	45	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-026	31037-3	46	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-027	31037-3	47	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-028	31037-3	48	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-029	31037-3	49	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-030	31037-3	50	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-031	31037-3	51	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-032	31037-3	52	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-033	31037-3	53	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-034	31037-3	54	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-035	31037-3	55	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-036	31037-3	56	888 Jacinto Llc	2013	2008	$14,280	$0	$14,280	2012	$10,276		$10,276	$210.20
436-061-037	31037-3	57	888 Jacinto Llc	2013	2008	$40,800	$60,180	$100,980	2012	$41,107	$66,798	$107,905	$3,903.14
436-061-038	31037-3	58	888 Jacinto Llc	2013	2008	$40,800	$54,060	$94,860	2012	$41,107	$63,715	$104,822	$3,796.08
436-061-039	31037-3	59	888 Jacinto Llc	2013	2008	$40,800	$60,180	$100,980	2012	$41,107	$66,798	$107,905	$3,903.14
		58								**$965,766**	**$1,376,492**	**$2,342,258**	**$61,985.20**
436-230-001	31154	1	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-230-002	31154	2	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-230-003	31154	3	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-231-011	31154	14	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$125.30
436-231-012	31154	15	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$125.30
436-231-013	31154	16	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$125.30

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436-231-014	31154	17	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$125.30
436-231-015	31154	18	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$125.30
436-231-016	31154	19	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$125.30
436-231-017	31154	20	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$125.30
436-231-018	31154	21	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-240-001	31154	22	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-002	31154	23	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-003	31154	24	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-004	31154	25	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-005	31154	26	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-006	31154	27	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$145.30
436-240-007	31154	28	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-008	31154	29	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$593.98
436-232-001	31154	30	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-002	31154	31	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-003	31154	32	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-004	31154	33	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-005	31154	34	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-006	31154	35	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-007	31154	36	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-008	31154	37	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-009	31154	38	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-010	31154	39	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-016	31154	45	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$129.56
436-232-027	31154	56	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$2,335.20
436-232-028	31154	57	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$2,525.34
436-240-009	31154	58	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-010	31154	59	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-011	31154	60	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-012	31154	61	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-013	31154	62	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-014	31154	63	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-015	31154	64	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-016	31154	65	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-240-017	31154	66	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56

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436-240-018	31154	67	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-241-001	31154	72	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$149.56
436-241-002	31154	73	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$2,545.34
436-241-003	31154	74	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$2,355.20
436-241-004	31154	75	Almaden San Jacinto 46	2011	2006	$9,682	$0	$9,682	2012	$9,493		$9,493	$2,545.34
		46								**$436,678**	**$0**	**$436,678**	**$18,408.72**
436-690-012	31037	1	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-013	31037	2	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-014	31037	3	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-015	31037	4	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-016	31037	5	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-017	31037	6	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-018	31037	7	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-019	31037	8	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-020	31037	9	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-021	31037	10	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-022	31037	11	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-023	31037	12	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-024	31037	13	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-025	31037	14	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-026	31037	15	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-027	31037	16	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-028	31037	17	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-029	31037	18	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-030	31037	19	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-031	31037	20	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-032	31037	21	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-033	31037	22	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-034	31037	23	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-690-035	31037	24	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-001	31037	25	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-002	31037	26	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-003	31037	27	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-004	31037	28	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64

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436-692-005	31037	29	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-006	31037	30	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-007	31037	31	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-008	31037	32	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-009	31037	33	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-010	31037	34	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-011	31037	35	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-692-012	31037	36	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-006	31037	37	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-007	31037	38	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-008	31037	39	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-009	31037	40	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-010	31037	41	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-011	31037	42	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-012	31037	43	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-013	31037	44	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-014	31037	45	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-015	31037	46	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-016	31037	47	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-017	31037	48	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-018	31037	49	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-019	31037	50	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-020	31037	51	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-021	31037	52	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-022	31037	53	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-023	31037	54	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-024	31037	55	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-025	31037	56	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-026	31037	57	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-027	31037	58	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-028	31037	59	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-029	31037	60	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-030	31037	61	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-031	31037	62	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-032	31037	63	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64

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436-691-033	31037	64	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-034	31037	65	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-035	31037	66	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-036	31037	67	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-037	31037	68	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-038	31037	69	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-039	31037	70	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-691-040	31037	71	San Jacinto Cado	2009	2008	$10,245	$0	$10,245	2012	$10,045		$10,045	$207.64
436-050-001	31037-1	1	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-002	31037-1	2	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-003	31037-1	3	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-004	31037-1	4	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-005	31037-1	5	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-006	31037-1	6	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-007	31037-1	7	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-008	31037-1	8	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-009	31037-1	9	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-010	31037-1	10	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-011	31037-1	11	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-012	31037-1	12	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-013	31037-1	13	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-014	31037-1	14	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-015	31037-1	15	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-016	31037-1	16	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-017	31037-1	17	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-018	31037-1	18	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-019	31037-1	19	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-020	31037-1	20	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-021	31037-1	21	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-022	31037-1	22	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-050-023	31037-1	23	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-062-001	31037-1	24	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-062-002	31037-1	25	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-062-003	31037-1	26	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-062-004	31037-1	27	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44

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436-062-005	31037-1	28	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-062-006	31037-1	29	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-062-007	31037-1	30	San Jacinto Cado	2009	2005	$14,638	$1,043	$15,681	2012	$14,351	$1,023	$15,374	$2,772.84
436-062-008	31037-1	31	San Jacinto Cado	2009	2005	$14,638	$1,043	$15,681	2012	$14,351	$1,023	$15,374	$2,621.30
436-062-009	31037-1	32	San Jacinto Cado	2009	2005	$14,638	$1,043	$15,681	2012	$14,351	$1,023	$15,374	$2,560.66
436-051-003	31037-1	43	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$2,761.48
436-052-005	31037-1	48	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-006	31037-1	49	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-007	31037-1	50	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-008	31037-1	51	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-009	31037-1	52	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-010	31037-1	53	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-011	31037-1	54	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-012	31037-1	55	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-013	31037-1	56	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-014	31037-1	57	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-015	31037-1	58	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-016	31037-1	59	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-017	31037-1	60	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-018	31037-1	61	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-019	31037-1	62	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-020	31037-1	63	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-021	31037-1	64	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-022	31037-1	65	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-023	31037-1	66	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-024	31037-1	67	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-025	31037-1	68	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-052-026	31037-1	69	San Jacinto Cado	2009	2005	$14,638	$1,043	$15,681	2012	$14,351	$1,023	$15,374	$2,560.66
436-052-027	31037-1	70	San Jacinto Cado	2009	2005	$14,638	$1,043	$15,681	2012	$14,351	$1,023	$15,374	$2,772.84
436-052-028	31037-1	71	San Jacinto Cado	2009	2005	$14,638	$1,043	$15,681	2012	$14,351	$1,023	$15,374	$2,469.72
436-052-039	31037-1	82	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$2,458.36
436-052-040	31037-1	83	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$2,609.94
436-052-041	31037-1	84	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$2,761.48
436-052-042	31037-1	85	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$2,549.30
436-052-043	31037-1	86	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$2,761.48

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436-052-044	31037-1	87	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$2,609.94
436-052-045	31037-1	88	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$2,549.30
436-052-046	31037-1	89	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$2,761.48
436-060-001	31037-2	1	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-060-002	31037-2	2	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-060-003	31037-2	3	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-060-004	31037-2	4	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-060-005	31037-2	5	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-060-006	31037-2	6	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-060-011	31037-2	11	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-001	31037-2	12	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-002	31037-2	13	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-003	31037-2	14	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-004	31037-2	15	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-005	31037-2	16	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-006	31037-2	17	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-007	31037-2	18	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-008	31037-2	19	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-009	31037-2	20	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-010	31037-2	21	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-011	31037-2	22	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-012	31037-2	23	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-013	31037-2	24	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-014	31037-2	25	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-015	31037-2	26	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
436-061-016	31037-2	27	San Jacinto Cado	2009	2005	$14,638	$0	$14,638	2012	$14,351		$14,351	$255.44
		159								**$1,976,083**	**$6,138**	**$1,982,221**	**$72,970.34**
436-052-002	31037-1	45	Alonso Barba	2010	2005	$52,000	$145,000	$197,000	2012	$46,000	$129,000	$175,000	$4,500.84
436-060-009	31037-2	9	Andrea S Smith	2011	2005	$40,000	$127,000	$167,000	2012	$39,000	$125,000	$164,000	$4,166.72
436-052-029	31037-1	72	Andrew M & Irene M Seitl	2009	2005	$12,439	$99,297	$111,736	2012	$12,196	$97,350	$109,546	$3,323.50
436-060-013	31037-1	34	Angel Ruiz	2009	2005	$35,000	$122,000	$157,000	2012	$34,000	$117,000	$151,000	$4,118.78
436-232-024	31154	53	Arkadiusz M & Rhonda J Jedraszek	2010	2006	$50,000	$128,000	$178,000	2012	$47,000	$118,000	$165,000	$4,356.80
436-061-048	31037-3	68	Armando V & Leticia C Sanchez	2009	2008	$38,000	$157,000	$195,000	2012	$33,000	$138,000	$171,000	$4,466.88
436-231-005	31154	8	Armando Villicana	2009	2006	$38,000	$140,000	$178,000	2012	$40,000	$147,500	$187,500	$4,275.32

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436-230-009	31154	82	Benjamin Herrera	2012	2006	$40,000	$130,000	$170,000	2012	$34,000	$124,000	$158,000	$4,158.90
436-232-013	31154	42	Billy White	2008	2006	$36,000	$142,000	$178,000	2012	$33,000	$134,000	$167,000	$4,356.82
436-060-014	31037-1	35	Brad Wilcox	2010	2005	$52,410	$104,823	$157,233	2012	$51,383	$102,768	$154,151	$4,192.22
436-232-025	31154	54	Brian Charles & Amy Renee King	2010	2006	$51,000	$118,000	$169,000	2012	$47,000	$110,000	$157,000	$4,112.30
436-060-008	31037-2	8	Catherine R Johnson	2010	2005	$35,000	$123,000	$158,000	2012	$34,000	$117,000	$151,000	$4,039.52
436-060-015	31037-1	36	Cody & Angela Ridley	2011	2005	$41,929	$131,028	$172,957	2012	$41,107	$128,459	$169,566	$4,514.90
436-232-017	31154	46	Daniel & Alan Cruthers	2010	2006	$47,000	$123,000	$170,000	2012	$43,000	$114,000	$157,000	$4,193.82
436-052-047	31037-1	90	David B Martinez	2010	2005	$45,000	$113,000	$158,000	2012	$43,000	$108,000	$151,000	$4,039.54
436-051-002	31037-1	42	David H Levy	2013	2005	$40,800	$107,100	$147,900	2012	$40,800	$112,200	$153,000	$4,179.42
436-231-008	31154	11	Debra Celeste Robinson	2008	2006	$34,000	$108,000	$142,000	2012	$35,000	$109,000	$144,000	$3,945.42
436-230-004	31154	77	Debra Deborn	2010	2006	$50,000	$130,000	$180,000	2012	$47,000	$122,000	$169,000	$4,298.62
436-061-049	31037-3	69	Dimas & Diane Gonzalez	2011	2008	$41,929	$115,304	$157,233	2012	$41,107	$113,044	$154,151	$4,159.12
436-240-022	31154	71	Earl & Delores Barber	2008	2006	$33,000	$148,000	$181,000	2012	$31,000	$139,000	$170,000	$4,330.28
436-062-010	31037-3	1	Earnest J Kirby	2008	2008	$40,000	$131,000	$171,000	2012	$38,000	$125,000	$163,000	$4,213.40
436-230-007	31154	80	Ebelio & Maria Rivas	2012	2006	$26,000	$119,000	$145,000	2012	$29,000	$129,800	$158,800	$3,898.88
436-061-050	31037-3	70	Elsa C & Martin Escamilla	2008	2008	$43,000	$151,000	$194,000	2012	$41,000	$144,000	$185,000	$4,766.18
436-060-016	31037-1	37	Elvira Annette Sapien	2011	2005	$41,929	$117,925	$159,854	2012	$41,107	$115,613	$156,720	$4,220.74
436-230-005	31154	78	Enrique & Elva J Cordero	2010	2006	$48,000	$126,000	$174,000	2012	$44,000	$115,000	$159,000	$4,170.56
436-052-035	31037-1	78	Enrique & Veronica A Batiz	2009	2005	$43,000	$154,000	$197,000	2012	$38,000	$139,000	$177,000	$4,580.12
436-232-012	31154	41	Erin Jo Rathert	2010	2006	$52,286	$119,202	$171,488	2012	$48,000	$109,000	$157,000	$4,135.62
436-060-007	31037-2	7	Ernestine G Barrios	2010	2005	$39,000	$142,000	$181,000	2012	$35,000	$128,000	$163,000	$4,247.44
436-231-010	31154	13	Esteban Cervantes Cortez	2010	2006	$44,000	$150,000	$194,000	2012	$41,000	$142,000	$183,000	$4,461.62
436-232-020	31154	49	Ethel Gamez	2010	2006	$48,000	$123,000	$171,000	2012	$44,000	$113,000	$157,000	$4,135.62
436-060-017	31037-1	38	Fabiola V Fierros	2013	2005	$40,000	$139,500	$179,500	2012	$36,000	$138,000	$174,000	$4,500.84
436-231-009	31154	12	Fred & Jane H Robinson	2013	2006	$40,800	$102,000	$142,800	2012	$33,000	$124,000	$157,000	$4,217.12
436-052-001	31037-1	44	Gail Vitek	2008	2005	$41,000	$126,000	$167,000	2012	$37,000	$113,000	$150,000	$4,016.52
436-232-022	31154	51	Gary S & Linda G Buckley	2010	2006	$52,410	$120,535	$172,945	2012	$51,000	$116,000	$167,000	$4,382.80
436-052-037	31037-1	80	Gordon & Don X Chen	2010	2005	$41,616	$124,848	$166,464	2012	$40,000	$118,000	$158,000	$4,292.68
436-061-052	31037-3	72	Idlof Anthony G Eggleston	2012	2008	$41,616	$140,454	$182,070	2012	$40,800	$137,700	$178,500	$4,686.92
436-231-006	31154	9	Israel I Garcia	2009	2006	$35,000	$130,000	$165,000	2012	$34,000	$126,000	$160,000	$4,170.56
436-060-012	31037-1	33	James & Karen Isbell	2013	2005	$40,800	$119,340	$160,140	2012	$40,800	$132,600	$173,400	$4,580.10
436-240-020	31154	69	James & Victoria Comehn	2013	2006	$40,800	$132,498	$173,298	2012	$35,000	$135,000	$170,000	$4,411.78
436-052-048	31037-1	91	John & Rita Koran	2008	2005	$37,000	$137,000	$174,000	2012	$34,000	$124,000	$158,000	$4,168.10
436-061-044	31037-3	64	John D Dunn	2009	2008	$37,000	$155,000	$192,000	2012	$32,000	$137,000	$169,000	$4,466.86
436-231-002	31154	5	Jorge A & Suann D Martinez	2009	2006	$39,000	$153,000	$192,000	2012	$35,000	$139,000	$174,000	$4,356.80

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APN	Tract	Lot	Owner Name	Base Year Current Owner	Base Year of Parcel	Land Value	Imp. Value	Total Value	Assmt. Year	Land Value	Imp. Value	Total Value	Prop. Tax
436-052-032	31037-1	75	Jorge Michel	2009	2005	$37,000	$121,000	$158,000	2012	$36,000	$115,000	$151,000	$4,118.80
436-052-003	31037-1	46	Jose A Montes	2008	2005	$38,000	$136,000	$174,000	2012	$34,000	$124,000	$158,000	$4,965.10
436-232-019	31154	48	Joseph & Jose Lopez	2013	2006	$40,800	$96,900	$137,700	2012	$35,000	$112,000	$147,000	$4,195.36
436-241-006	31154	85	Juan Valdez	2009	2006	$38,000	$142,000	$180,000	2012	$35,000	$133,000	$168,000	$4,388.50
436-061-040	31037-3	60	Kimberly A Placencia	2009	2008	$32,000	$139,000	$171,000	2012	$30,000	$133,000	$163,000	$4,281.34
436-060-018	31037-1	39	Kristi D Sbabo	2010	2005	$47,000	$116,000	$163,000	2012	$45,000	$111,000	$156,000	$4,096.20
436-230-011	31154	84	Larry & Tia U K Judge	2010	2006	$45,000	$135,000	$180,000	2012	$42,000	$126,000	$168,000	$4,286.98
436-052-030	31037-1	73	Layvas Family Trust	2012	2005	$30,600	$119,340	$149,940	2012	$30,000	$117,000	$147,000	$4,016.52
436-052-004	31037-1	47	Linda S Cato	2011	2005	$41,616	$100,918	$142,534	2012	$40,800	$98,940	$139,740	$3,801.36
436-241-009	31154	88	Lorenzo Cobian	2008	2006	$40,000	$133,000	$173,000	2012	$36,000	$122,000	$158,000	$4,260.44
436-052-036	31037-1	79	Luis Oseguera	2012	2005	$41,616	$104,040	$145,656	2012	$40,800	$102,000	$142,800	$4,118.78
436-231-007	31154	10	Lupe M & Sharon L Ortiz	2010	2006	$38,000	$155,000	$193,000	2012	$36,000	$146,000	$182,000	$4,449.98
436-052-049	31037-1	92	Marcos & Maria Rodriguez	2009	2005	$42,000	$155,000	$197,000	2012	$37,000	$137,000	$174,000	$4,580.10
436-231-004	31154	7	Maria Celia Contreras	2011	2006	$41,616	$98,838	$140,454	2012	$40,800	$96,900	$137,700	$3,937.64
436-052-034	31037-1	77	Mary Elizabeth Parker	2012	2005	$30,600	$121,430	$152,030	2012	$30,000	$116,500	$146,500	$4,118.80
436-232-015	31154	44	Michelle L Roach	2013	2006	$40,800	$127,500	$168,300	2012	$40,000	$119,500	$159,500	$4,182.18
436-240-019	31154	68	Miguel & Bernardina Rodriguez	2008	2006	$37,000	$137,000	$174,000	2012	$34,000	$126,000	$160,000	$4,272.08
436-240-021	31154	70	Miguel Angel Rodarte	2011	2006	$41,000	$133,000	$174,000	2012	$40,800	$131,580	$172,380	$4,353.60
436-230-008	31154	81	Paso De Record Llc	2013	2006	$40,800	$98,430	$139,230	2012	$48,000	$99,000	$147,000	$3,968.74
436-241-005	31154	76	Patricia R & Christopher D Swartz	2013	2006	$40,800	$98,430	$139,230	2012	$51,000	$107,000	$158,000	$4,215.76
436-230-010	31154	83	Philip D & Kerri A Giles	2010	2006	$47,000	$98,000	$145,000	2012	$47,000	$100,000	$147,000	$3,887.22
436-232-026	31154	55	Ramon & Vanessa Flores	2010	2006	$52,410	$120,535	$172,945	2012	$50,000	$116,000	$166,000	$4,301.28
436-232-014	31154	43	Ray A Contreras & Rosa Mara Garay	2012	2006	$40,800	$134,640	$175,440	2012	$40,000	$132,000	$172,000	$4,368.50
436-232-021	31154	50	Raymond J Rodriguez	2010	2006	$49,000	$93,000	$142,000	2012	$50,000	$95,000	$145,000	$3,872.44
436-231-001	31154	4	Raymond Milton Martinez	2012	2006	$40,800	$127,602	$168,402	2012	$40,000	$120,000	$160,000	$4,182.18
436-061-043	31037-3	63	Renzo Mayorga	2010	2008	$52,411	$115,304	$167,715	2012	$51,000	$112,000	$163,000	$4,202.08
436-061-042	31037-3	62	Richard & Rachael Tovar	2009	2008	$33,000	$161,000	$194,000	2012	$31,000	$154,000	$185,000	$4,766.18
436-060-010	31037-2	10	Richard B & Sandra Lee Gomez	2010	2005	$49,000	$133,000	$182,000	2012	$48,000	$129,000	$177,000	$4,462.84
436-052-033	31037-1	76	Richard D & Cynthia A Johnston	2009	2005	$37,000	$162,000	$199,000	2012	$33,000	$145,000	$178,000	$4,512.18
436-232-023	31154	52	Richard D & Rose V Jasper	2013	2006	$40,800	$112,200	$153,000	2012	$48,000	$95,000	$143,000	$3,933.78
436-232-018	31154	47	Robert H & Robyn M Stangel	2010	2006	$45,000	$133,000	$178,000	2012	$42,000	$123,000	$165,000	$4,356.80
436-061-041	31037-3	61	Roberto Karlos & Carla Deniz Peraza	2009	2008	$34,000	$160,000	$194,000	2012	$33,000	$152,000	$185,000	$4,766.18
436-241-007	31154	86	Roger A & Irene J Otero	2013	2006	$40,800	$145,860	$186,660	2012	$38,000	$136,000	$174,000	$4,443.60
436-061-046	31037-3	66	Ronald Baron	2012	2008	$35,700	$142,800	$178,500	2012	$35,000	$140,000	$175,000	$4,466.88
436-060-019	31037-1	40	Santiago Guzman	2010	2005	$52,411	$131,029	$183,440	2012	$50,000	$126,000	$176,000	$4,580.10

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Summary of Assessed Values and Taxes

APN	Tract	Lot	Owner Name	Base Year Current Owner	Base Year of Parcel	Land Value	Imp. Value	Total Value	Assmt. Year	Land Value	Imp. Value	Total Value	Prop. Tax
436-061-051	31037-3	71	Simon B Nguyen	2011	2008	$40,000	$131,000	$171,000	2012	$39,000	$124,000	$163,000	$4,354.96
436-230-006	31154	79	Stephanie E Shenah	2009	2006	$42,000	$138,000	$180,000	2012	$40,000	$129,000	$169,000	$4,391.78
436-052-050	31037-1	93	Steven & Deborah Ross	2011	2005	$40,000	$127,000	$167,000	2012	$39,000	$126,000	$165,000	$4,247.14
436-052-038	31037-1	81	Tellez Robin L Liles	2010	2005	$52,286	$141,174	$193,460	2012	$47,000	$127,000	$174,000	$4,500.84
436-241-008	31154	87	Tena Louise Blair	2008	2006	$35,000	$111,000	$146,000	2012	$35,000	$112,000	$147,000	$3,907.24
436-061-047	31037-3	67	Thomas Frank & Tara Nicole Andreassen	2011	2008	$41,929	$141,510	$183,439	2012	$41,107	$138,736	$179,843	$4,701.86
436-061-045	31037-3	65	Tiana & Oscar Cruz	2013	2008	$40,000	$200,000	$240,000	2012	$30,000	$170,000	$200,000	$4,856.80
436-231-003	31154	6	Tunantu Ojeda	2012	2006	$40,800	$88,740	$129,540	2012	$40,000	$87,000	$127,000	$3,910.48
436-052-031	31037-1	74	Ubaldo Cadena	2009	2005	$44,000	$153,000	$197,000	2012	$39,000	$134,000	$173,000	$4,580.10
436-051-001	31037-1	41	Vincent P & Maryann H Balajadia	2008	2005	$34,000	$123,000	$157,000	2012	$33,000	$118,000	$151,000	$4,039.52
436-232-011	31154	40	Yadira Lopez	2013	2006	$40,800	$142,800	$183,600	2012	$34,680	$133,620	$168,300	$4,368.48
		88								**$3,436,287**	**$10,853,810**	**$14,290,097**	**$376,380.68**
DISTRICT TOTALS:		**351**								**$6,814,814**	**$12,236,440**	**$19,051,254**	**$529,744.94**

DWELLING SALES BY YEAR

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Summary of Sales by Year

APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-241-008	31154	87	Built/Occupied	Tena Louise Blair	1,958	$326,500	$166.75	9/15/2006	686431	10,890	2006
436-241-009	31154	88	Built/Occupied	Lorenzo Cobian	2,538	$347,500	$136.92	9/22/2006	702063	10,890	2006
436-051-001	31037-1	41	Built/Occupied	Vincent P & Maryann H Balajadia	2,414	$366,500	$151.82	10/18/2006	766132	7,405	2006
436-052-048	31037-1	91	Built/Occupied	John & Rita Koran	2,571	$364,000	$141.58	10/18/2006	766131	7,405	2006
436-240-019	31154	68	Built/Occupied	Miguel & Bernardina Rodriguez	2,538	$362,500	$142.83	10/25/2006	785238	12,197	2006
436-060-013	31037-1	34	Built/Occupied	Angel Ruiz	2,414	$359,500	$148.92	10/26/2006	788249	7,841	2006
436-060-014	31037-1	35	Built/Occupied	Brad Wilcox	2,571	$369,000	$143.52	11/7/2006	819434	7,405	2006
436-240-022	31154	71	Built/Occupied	Earl & Delores Barber	2,993	$438,000	$146.34	11/30/2006	878684	12,197	2006
436-052-003	31037-1	46	Built/Occupied	Jose A Montes	2,571	$370,500	$144.11	12/12/2006	909726	7,405	2006
436-232-013	31154	42	Built/Occupied	Billy White	2,993	$399,000	$133.31	12/29/2006	955785	8,712	2006
		10			**2,556**	**$370,300**	**$144.87**				
436-052-049	31037-1	92	Built/Occupied	Marcos & Maria Rodriguez	3,157	$374,000	$118.47	1/5/2007	12849	7,841	2006
436-052-033	31037-1	76	Built/Occupied	Richard D & Cynthia A Johnston	3,157	$430,500	$136.36	4/18/2007	259723	10,019	2007
436-231-008	31154	11	Built/Occupied	Debra Celeste Robinson	1,958	$329,500	$168.28	5/25/2007	348287	8,276	2006
436-052-029	31037-1	72	Built/Occupied	Andrew M & Irene M Seitl	2,571	$335,000	$130.30	7/5/2007	437973	7,841	2007
436-052-035	31037-1	78	Built/Occupied	Enrique & Veronica A Batiz	3,157	$367,000	$116.25	8/9/2007	515370	9,148	2007
436-061-042	31037-3	62	Built/Occupied	Richard & Rachael Tovar	3,331	$476,500	$143.05	8/9/2007	515364	8,276	2007
436-061-048	31037-3	68	Built/Occupied	Armando V & Leticia C Sanchez	3,112	$405,000	$130.14	8/10/2007	517961	10,019	2007
436-052-032	31037-1	75	Built/Occupied	Jorge Michel	2,414	$340,000	$140.85	8/22/2007	540112	8,712	2007
436-052-031	31037-1	74	Built/Occupied	Ubaldo Cadena	3,157	$357,500	$113.24	9/6/2007	568841	7,405	2007
436-061-050	31037-3	70	Built/Occupied	Elsa C & Martin Escamilla	3,331	$357,500	$107.33	11/9/2007	685251	7,841	2007
436-062-010	31037-3	1	Built/Occupied	Earnest J Kirby	2,676	$340,000	$127.06	11/30/2007	722329	8,276	2007
		11			**2,911**	**$373,864**	**$128.43**				
436-230-006	31154	79	Built/Occupied	Stephanie E Shenah	2,993	$340,000	$113.60	1/3/2008	2548	11,761	2007
436-061-040	31037-3	60	Built/Occupied	Kimberly A Placencia	2,676	$270,000	$100.90	5/16/2008	266073	7,841	2008
436-241-006	31154	85	Built/Occupied	Juan Valdez	2,993	$284,000	$94.89	6/13/2008	323339	10,890	2006

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-061-041	31037-3	61	Built/Occupied	Roberto Karlos & Carla Deniz Peraza	3,331	$280,000	$84.06	8/22/2008	465154	8,276	2008
436-231-002	31154	5	Built/Occupied	Jorge A & Suann D Martinez	2,993	$222,500	$74.34	9/19/2008	513923	7,405	2006
436-061-044	31037-3	64	Built/Occupied	John D Dunn	3,112	$260,000	$83.55	9/19/2008	513726	7,405	2007
		6			**3,016**	**$276,083**	**$91.53**				
436-231-010	31154	13	Built/Occupied	Esteban Cervantes Cortez	2,993	$202,500	$67.66	1/2/2009	450	9,583	2006
436-052-047	31037-1	90	Built/Occupied	David B Martinez	2,414	$176,000	$72.91	1/13/2009	15026	8,712	2006
436-060-018	31037-1	39	Built/Occupied	Kristi D Sbabo	2,414	$173,500	$71.87	5/7/2009	227279	13,504	2006
436-230-004	31154	77	Built/Occupied	Debra Deborn	2,993	$165,000	$55.13	5/13/2009	238874	11,326	2007
436-232-012	31154	41	Built/Occupied	Erin Jo Rathert	2,538	$164,000	$64.62	5/19/2009	250850	9,148	2006
436-230-010	31154	83	Built/Occupied	Philip D & Kerri A Giles	1,958	$155,000	$79.16	5/19/2009	251709	10,454	2006
436-232-021	31154	50	Built/Occupied	Raymond J Rodriguez	1,958	$145,000	$74.06	5/27/2009	266691	7,405	2007
436-230-005	31154	78	Built/Occupied	Enrique & Elva J Cordero	2,538	$163,500	$64.42	6/2/2009	278493	11,761	2007
436-232-024	31154	53	Built/Occupied	Arkadiusz M & Rhonda J Jedraszek	2,993	$173,000	$57.80	6/19/2009	313715	7,405	2007
436-230-011	*31154*	*84*	*Built/vacant/fire damage*	*Larry & Tia U K Judge*	*2,993*	*$200,000*	*$66.82*	*6/23/2009*	*317828*	*10,890*	*2006*
436-052-038	31037-1	81	Built/Occupied	Tellez Robin L Liles	3,157	$185,000	$58.60	6/25/2009	324153	7,405	2007
436-232-025	31154	54	Built/Occupied	Brian Charles & Amy Renee King	2,538	$165,909	$65.37	6/26/2009	327551	7,841	2007
436-052-037	31037-1	80	Built/Occupied	Gordon & Don X Chen	2,571	$158,500	$61.65	6/30/2009	332505	7,405	2007
436-232-017	31154	46	Built/Occupied	Daniel & Alan Cruthers	2,538	$181,000	$71.32	7/6/2009	345112	8,276	2006
436-232-026	31154	55	Built/Occupied	Ramon & Vanessa Flores	2,993	$165,000	$55.13	7/10/2009	358657	7,841	2007
436-232-018	31154	47	Built/Occupied	Robert H & Robyn M Stangel	2,993	$198,000	$66.15	7/14/2009	361628	7,405	2006
436-232-022	31154	51	Built/Occupied	Gary S & Linda G Buckley	2,993	$165,000	$55.13	7/21/2009	376590	9,148	2007
436-060-007	31037-2	7	Built/Occupied	Ernestine G Barrios	2,571	$185,000	$71.96	8/20/2009	433716	13,939	2005
436-060-010	31037-2	10	Built/Occupied	Richard B & Sandra Lee Gomez	3,012	$189,000	$62.75	8/27/2009	447600	7,841	2005
436-052-002	31037-1	45	Built/Occupied	Alonso Barba	3,157	$190,000	$60.18	9/4/2009	464708	7,841	2006
436-060-008	31037-2	8	Built/Occupied	Catherine R Johnson	2,414	$180,000	$74.57	9/18/2009	487797	8,276	2005
436-060-019	31037-1	40	Built/Occupied	Santiago Guzman	3,157	$175,000	$55.43	10/21/2009	543834	8,276	2006
436-061-043	31037-3	63	Built/Occupied	Renzo Mayorga	2,676	$160,000	$59.79	10/30/2009	562908	7,841	2007
436-231-007	31154	10	Built/Occupied	Lupe M & Sharon L Ortiz	2,993	$200,000	$66.82	11/18/2009	597541	8,712	2006

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APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-232-020	31154	49	Built/Occupied	Ethel Gamez	2,538	$179,000	$70.53	12/7/2009	627804	9,583	2007
		25			**2,724**	**$175,756**	**$64.53**				
436-052-050	31037-1	93	Built/Occupied	Steven & Deborah Ross	2,242	$163,000	$72.70	1/29/2010	43362	7,841	2006
436-060-009	31037-2	9	Built/Occupied	Andrea S Smith	2,242	$168,000	$74.93	2/23/2010	81110	7,405	2005
436-060-016	31037-1	37	Built/Occupied	Elvira Annette Sapien	2,571	$152,500	$59.32	3/26/2010	139166	7,405	2006
436-061-047	31037-3	67	Built/Occupied	Thomas Frank & Tara Nicole Andreass	3,331	$175,000	$52.54	3/31/2010	145234	9,148	2007
436-061-049	31037-3	69	Built/Occupied	Dimas & Diane Gonzalez	2,898	$150,000	$51.76	4/2/2010	152554	7,405	2007
436-060-015	31037-1	36	Built/Occupied	Cody & Angela Ridley	3,157	$165,000	$52.26	4/27/2010	191011	7,841	2006
436-052-004	31037-1	47	Built/Occupied	Linda S Cato	2,242	$137,000	$61.11	8/31/2010	417370	7,841	2006
436-061-051	31037-3	71	Built/Occupied	Simon B Nguyen	2,676	$165,500	$61.85	10/25/2010	510033	7,841	2007
436-231-004	31154	7	Built/Occupied	Maria Celia Contreras	2,538	$135,000	$53.19	12/29/2010	622926	7,405	2006
436-240-021	31154	70	Built/Occupied	Miguel Angel Rodarte	2,538	$169,000	$66.59	12/30/2010	624913	12,197	2006
		10			**2,644**	**$158,000**	**$59.77**				
436-052-036	31037-1	79	Built/Occupied	Luis Oseguera	2,414	$140,000	$58.00	3/3/2011	98434	7,405	2007
436-061-052	31037-3	72	Built/Occupied	Idlof Anthony G Eggleston	3,331	$175,000	$52.54	5/26/2011	232263	7,841	2007
436-232-014	31154	43	Built/Occupied	Ray A Contreras & Rosa Mara Garay	2,993	$172,000	$57.47	7/21/2011	319523	10,890	2006
436-231-003	31154	6	Built/Occupied	Tunantu Ojeda	1,958	$127,000	$64.86	7/28/2011	330508	7,405	2006
436-052-034	31037-1	77	Built/Occupied	Mary Elizabeth Parker	2,414	$146,500	$60.69	9/2/2011	393872	9,148	2007
436-230-007	31154	80	Built/Occupied	Ebelio & Maria Rivas	1,958	$146,000	$74.57	9/8/2011	399119	11,326	2007
436-231-001	31154	4	Built/Occupied	Raymond Milton Martinez	2,538	$160,000	$63.04	9/14/2011	408657	7,405	2006
436-061-046	31037-3	66	Built/Occupied	Ronald Baron	3,112	$175,000	$56.23	10/31/2011	481259	10,019	2007
436-231-005	31154	8	Built/Occupied	Armando Villicana	2,993	$187,500	$62.65	12/30/2011	579834	8,712	2006
		9			**2,635**	**$158,778**	**$60.27**				
436-241-005	31154	76	Built/Occupied	Patricia R & Christopher D Swartz	2,538	$136,500	$53.78	1/5/2012	4586	10,890	2007
436-230-008	31154	81	Built/Occupied	Paso De Record Llc	1,958	$136,500	$69.71	1/5/2012	4589	10,454	2006
436-051-002	31037-1	42	Built/Occupied	David H Levy	2,571	$145,000	$56.40	3/6/2012	102268	7,405	2006

San Jacinto USD
CFD NO. 2005-2
Summary of Sales by Year

APN	Tract	Lot	Lot Condition	Owner Name	Unit Sz	Sale Price	$/SF	Rec. Date	Doc. No.	Lot SF	Yr Blt
436-232-019	31154	48	Built/Occupied	Joseph & Jose Lopez	1,958	$135,000	$68.95	3/14/2012	119329	11,326	2006
436-060-012	31037-1	33	Built/Occupied	James & Karen Isbell	3,157	$157,000	$49.73	3/16/2012	123285	8,276	2006
436-240-020	31154	69	Built/Occupied	James & Victoria Comehn	2,993	$170,000	$56.80	4/13/2012	169511	12,197	2006
436-232-023	31154	52	Built/Occupied	Richard D & Rose V Jasper	1,958	$150,000	$76.61	4/23/2012	183910	8,276	2007
436-241-007	31154	86	Built/Occupied	Roger A & Irene J Otero	2,538	$273,909	$107.92	5/1/2012	198584	10,890	2006
436-232-011	31154	40	Built/Occupied	Yadira Lopez	2,993	$180,000	$60.14	5/31/2012	248872	9,583	2006
436-231-009	31154	12	Built/Occupied	Fred & Jane H Robinson	2,538	$140,000	$55.16	6/13/2012	273126	9,148	2006
436-232-015	31154	44	Built/Occupied	Michelle L Roach	2,538	$165,000	$65.01	6/27/2012	298755	7,405	2006
436-230-009	31154	82	Built/Occupied	Benjamin Herrera	2,538	$170,000	$66.98	7/23/2012	343739	10,454	2006
436-060-017	31037-1	38	Built/Occupied	Fabiola V Fierros	3,157	$179,500	$56.86	9/4/2012	420514	7,405	2006
436-061-045	31037-3	65	Built/Occupied	Tiana & Oscar Cruz	3,331	$240,000	$72.05	11/15/2012	553739	8,712	2007
		14			**2,626**	**$169,886**	**$64.69**				
436-231-006	31154	9	Built/Occupied	Israel I Garcia	2,538	$165,000	$65.01	3/1/2013	103191	12,632	2006
436-052-030	31037-1	73	Built/Occupied	Layvas Family Trust	2,242	$171,000	$76.27	3/12/2013	120546	7,841	2007
436-052-001	31037-1	44	Built/Occupied	Gail Vitek	2,242	$140,000	$62.44	4/29/2013	200491	7,841	2006
		3			**2,341**	**$158,667**	**$67.79**				

TOTAL DWELLINGS: 88

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following summary discussion of selected provisions of the Indenture is made subject to all of the provisions of the Indenture. This summary discussion does not purport to be a complete statement of said provisions and prospective purchasers of the Bonds are referred to the complete text of the Indenture, a copy of which is available upon request sent to the Trustee.

DEFINITIONS

Unless the context otherwise requires, the terms defined below shall for all purposes of the Indenture and of any certificate, opinion or other document mentioned in the Indenture, have the meanings specified below.

"Act" means the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code.

"Additional Bonds" means Bonds other than Series 2013 Bonds issued under the Indenture in accordance with the provisions thereof as summarized herein under the heading "ADDITIONAL BONDS."

"Administrative Expense Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Administrative Expenses" means expenses of the School District or the Community Facilities District directly related to the administration of the Community Facilities District, consisting of the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules and the costs of collecting the Special Taxes, the costs of remitting the Special Taxes to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture, the costs incurred by the Community Facilities District in complying with the disclosure provisions of any continuing disclosure undertaking and the Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of the Community Facilities District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the Community Facilities District to comply with the tax covenants in the Indenture, an allocable share of the salaries of the staff of the School District providing services on behalf of the Community Facilities District directly related to the foregoing and a proportionate amount of general administrative overhead of the School District related thereto, and the costs of foreclosure of delinquent Special Taxes.

"Allocable" means, for purposes of allocating portions of the principal amount of Bonds to particular parcels or categories of Taxable Property in order to determine whether Additional Bonds may be issued, as of any date:

(a) with respect to Developed Property, a principal amount of Bonds equal to the product of (i) the quotient of (A) 90.91% of the Available Special Taxes that could be generated from Special Taxes levied pursuant to the Act, the Ordinance and the Rate and Method in the then current Fiscal Year on Developed Property, divided by (B) Annual Debt Service for such current Fiscal Year's Corresponding Bond Year on all Outstanding Bonds, times (ii) the principal amount of Bonds that will be Outstanding upon the issuance of such Additional Bonds;

(b) with respect to Undeveloped Property, a principal amount of Bonds equal to the remainder of (i) the principal amount of Bonds that will be Outstanding upon the issuance of such Additional Bonds, less (ii) the principal amount of Bonds Allocable to Developed Property pursuant to the preceding paragraph (a).

"Almaden Account" means the account by that name within the Improvement Fund established and held by the Trustee pursuant to the Indenture.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the principal of the Outstanding Bonds due in such Bond Year (including by reason of mandatory sinking fund redemptions).

"Appraised Value" means the value of all or any portion of the Developed Property, as set forth in a Qualified Appraisal Report prepared by a Qualified Appraiser.

"Assessed Value" means, with respect to all or any portion of the Developed Property, as of any date, the assessed value thereof, as such value is shown on the most recently equalized assessment roll.

"Authorized Denominations" means (a) with respect to the Series 2013 Bonds, $5,000 and any integral multiple thereof, and (b) with respect to each Series of Additional Bonds, the authorized denominations for such Series of Additional Bonds specified in the Supplemental Indenture pursuant to which such Additional Bonds are issued.

"Authorized Representative" means, with respect to the Community Facilities District, the Assistant Superintendent, Business Services of the School District, the Director, Fiscal Services of the School District, and any other Person designated as an Authorized Representative of the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee.

"Available Special Taxes" means, for any Fiscal Year, the sum of (a) the amount of Maximum Annual Special Tax A that may be levied for such Fiscal Year, pursuant to the Rate and Method and the Act, on all Developed Property for such Fiscal Year, less (b) the Projected Administrative Expenses for such Fiscal Year.

"Average Annual Debt Service" means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

"Beneficial Owners" means those Persons for which the Participants have caused the Depository to hold Book-Entry Bonds.

"Board of Trustees" means the Board of Trustees of the School District.

"Bond Counsel" means a firm of nationally recognized bond counsel selected by the Community Facilities District.

"Bond Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Bond Year" means each twelve-month period beginning on September 2 in each year and extending to the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2014.

“Bonds” means the Community Facilities District No. 2005-2 of the San Jacinto Unified School District Special Tax Bonds (Infrastructure Projects) issued under the Indenture, and includes the Series 2013 Bonds and any Additional Bonds.

“Book-Entry Bonds” means the Bonds of a Series registered in the name of the Depository, or the Nominee thereof, as the registered owner thereof pursuant to the terms and provisions of the Indenture.

“Business Day” means a day which is not (a) a Saturday, Sunday or legal holiday in the State, (b) a day on which banking institutions in the State, or in any state in which the Office of the Trustee is located, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

“Cado Account” means the account by that name within the Improvement Fund established and held by the Trustee pursuant to the Indenture.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to a Series of Book-Entry Bonds.

“Closing Date” means the date upon which the Series 2013 Bonds are delivered to the Original Purchaser.

“Code” means the Internal Revenue Code of 1986.

“Community Facilities District” means the Community Facilities District No. 2005-2 of the San Jacinto Unified School District, a community facilities district organized and existing under the laws of the State, and its successors.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of September 1, 2013, by and between the Community Facilities District and Zions First National Bank, as Trustee, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Corresponding Bond Year” means, with respect to any Fiscal Year, the Bond Year that commences in such Fiscal Year.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Community Facilities District relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee, fees, charges and disbursements of attorneys, financial advisors, accounting firms, appraisers, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“County” means the County of Riverside, a county and political subdivision of the State organized and existing under the laws of the State, and any successor thereto.

“County Assessor” means the Assessor of the County.

"County Auditor" means the Auditor-Controller of the County.

"County Tax Collector" means the Treasurer and Tax Collector of the County.

"Defeasance Securities" means (a) non-callable direct obligations of the United States of America ("United States Treasury Obligations"), and (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

"Depository" means DTC, and its successors as securities depository for any Series of Book-Entry Bonds, including any such successor appointed pursuant to the Indenture.

"Developed Property" means, for any Fiscal Year, all Taxable Property that, pursuant to the Rate and Method, is classified as Developed Property for such Fiscal Year.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York.

"EMWD Facilities" means the sewer and water facilities and rights-of-way and easements necessary for any of such facilities authorized to be financed by the Community Facilities District, as described in the Resolution of Formation.

"Event of Default" means any event or circumstance specified in the Indenture as summarized herein under the heading "EVENTS OF DEFAULT AND REMEDIES – Events of Default."

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Community Facilities District.

"Improvement Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Indenture" means the Indenture, dated as of September 1, 2013, by and between the Community Facilities District and Zions First National Bank, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Indenture.

"Independent Consultant" means any consultant or firm of such consultants selected by the Community Facilities District and who, or each of whom (a) is generally recognized to be qualified in the financial consulting field, (b) is in fact independent and not under the control of the Community Facilities District or the School District, (c) does not have any substantial interest, direct or indirect, with or in the Community Facilities District or the School District, or any owner of real property in the Community Facilities District, or any real property in the Community Facilities District, and (d) is not connected with the Community Facilities District or the School District as an officer or employee thereof, but who may be regularly retained to make reports to the Community Facilities District or the School District.

"Interest Account" means the account by that name within the Bond Fund established and held by the Trustee pursuant to the Indenture.

“Interest Payment Dates” means March 1 and September 1 of each year, commencing March 1, 2014.

“Letter of Representations” means the Letter of Representations from the Community Facilities District to the Depository, in which the Community Facilities District makes certain representations with respect to issues of its securities for deposit by the Depository.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made.

“Maximum Annual Special Tax A” has the meaning ascribed thereto in the Rate and Method.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“Net Special Tax Revenues” means Special Tax Revenues, less amounts required to pay Administrative Expenses.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

“Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California or such other office as may be specified to the Community Facilities District by the Trustee in writing.

“Ordinance Levying Special Taxes” means any ordinance adopted by the Board of Trustees levying the Special Taxes.

“Original Purchaser” means the original purchaser of the Series 2013 Bonds from the Community Facilities District.

“Other CFD Bonds” means, as of the date of determination, any and all bonds, notes or other evidences of indebtedness, other than the Bonds, then outstanding issued under the Act and payable at least partially from special taxes to be levied on parcels of Developed Property.

“Outstanding” means, when used as of any particular time with reference to Bonds, subject to the provisions of the Indenture as summarized herein under the heading “MISCELLANEOUS – Disqualified Bonds,” all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation, (b) Bonds with respect to which all liability of the Community Facilities District shall have been discharged in accordance with the Indenture as summarized herein under the heading “DEFEASANCE – Discharge of the Indenture,” and (c) Bonds in lieu of which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the provisions of the Indenture relating to mutilated, lost, destroyed or stolen Bonds.

“Owner” means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

"Participant" means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

"Participating Underwriter" has the meaning ascribed to such term in the Continuing Disclosure Agreement.

"Permitted Investments" means the following:

(a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America ("Federal Securities);

(b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;

(c) interest-bearing demand deposit accounts or time deposits (including certificates of deposit) in a federal or state chartered bank (including the Trustee and its affiliates) or a state licensed branch of a foreign bank or a state or federal association (as defined in Section 5102 of the California Financial Code), provided that (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated A1 or better by S&P, or (ii) such demand deposit accounts or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;

(d) commercial paper rated in the highest short-term rating category by S&P, issued by corporations which are organized and operating within the United States of America, and which matures not more than 180 days following the date of investment therein;

(e) bankers acceptances, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank whose short-term obligations are rated in the highest short term rating category by S&P, which mature not more than 270 days following the date of investment therein;

(f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Code and which are rated A or better by S&P;

(g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of $500,000,000, which obligations are rated A or better by S&P;

(h) money market funds which are rated Am or better by S&P, including funds for which the Trustee and its affiliates provide investment advisory or other management services;

(i) an investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution or corporation, the long-term unsecured obligations of which are or, in the case of an insurance company, the long term financial strength of which is, rated "AA-" or better by S&P at the time of initial investment; provided, that the investment agreement shall be subject to a downgrade provision with at least the following requirements:

(1) the agreement shall provide that within ten Business Days after the financial institution's long-term unsecured credit rating has been withdrawn, suspended, or reduced below "AA-" by S&P (such events referred to as "rating downgrades") the financial institution shall give notice to the Community Facilities District and the Trustee and, within such ten-day period, and for as long as the rating downgrade is in effect, shall deliver in the name of the Trustee Federal Securities with an aggregate current market value equal to at least 105% of the principal amount of the investment agreement invested with the financial institution at that time, and shall deliver additional Federal Securities as needed to maintain an aggregate current market value equal to at least 105% of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, and

(2) the agreement shall provide that, if the financial institution's long-term unsecured credit rating is reduced below "A-" by S&P, the financial institution shall give notice of the downgrade to the Community Facilities District and the Trustee within five Business Days, and the Trustee may, upon five Business Days' written notice to the financial institution, withdraw all amounts invested pursuant to the investment agreement, with accrued but unpaid interest thereon to the withdrawal date, and terminate the agreement.

(j) repurchase agreements with (i) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least "A" by S&P and Moody's; (ii) any broker-dealer with "retail customers" or a related affiliate thereof, which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (iii) any other entity (or entity whose obligations are guaranteed by an affiliate or parent company) rated at least "A" by S&P and Moody's, provided that:

(1) the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

(2) the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(3) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(4) all other requirements of S&P and Moody's in respect of repurchase agreements shall be met; and

(5) the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3" respectively, the provider must immediately notify the Community Facilities District and Trustee and the provider must, at the direction of the Community Facilities District or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Community Facilities District or Trustee.

"Person" means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Principal Account" means the account by that name within the Bond Fund established and held by the Trustee pursuant to the Indenture.

"Projected Administrative Expenses" means (a) for Fiscal Year 2013-14, $12,500, and (b) for any subsequent Fiscal Year, the amount resulting from increasing the Projected Administrative Expenses on each July 1, from and including July 1 immediately following the end of the then current Fiscal Year to and including the July 1 in such Fiscal Year by 2% of the amount in effect for the previous Fiscal Year.

"Qualified Appraisal Report" means a real estate appraisal report which (a) has been prepared by a Qualified Appraiser, (b) uses a date of value that is no earlier than three months prior to the date on which the value reported in such appraisal report is used in accordance with the provisions of the Indenture, (c) is prepared in accordance with the applicable standards of the Appraisal Institute for such reports, and (d) is prepared in accordance with the applicable guidelines of the California Debt and Investment Advisory Commission for such reports, as such guidelines are in effect on the Closing Date.

"Qualified Appraiser" means a real estate appraiser selected by the Community Facilities District and having an "MAI" designation from the Appraisal Institute.

"Rate and Method" means the rate and method of apportionment of the Special Taxes approved by the qualified electors of the Community Facilities District.

"Rebate Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Rebate Requirement" has the meaning ascribed to such term in the Tax Certificate.

"Record Date" means, with respect to interest payable on any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Redemption Price" means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof pursuant to the Indenture.

"Registration Books" means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to the Indenture.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Reserve Requirement” means, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.

“Resolution of Formation” means Resolution No. 04-05-101, adopted by the Board of Trustees on June 21, 2005, as originally adopted and as it may be amended or supplemented from time to time.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“School District” means the San Jacinto Unified School District, a school district organized and existing under the laws of the State, and its successors.

“Series” means the initial series of Bonds executed, authenticated and delivered on the date of initial issuance of the Bonds and identified pursuant to the Indenture as the Series 2013 Bonds, and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

“Series 2013 Bonds” means the Community Facilities District No. 2005-2 of the San Jacinto Unified School District Special Tax Bonds (Infrastructure Projects), Series 2013, issued under the Indenture.

“Special Tax Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

“Special Tax Revenues” means the proceeds of the Special Taxes received by or on behalf of the Community Facilities District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, which shall be limited to the amount of said lien and interest and penalties thereon.

“Special Taxes” means the special taxes defined in the Rate and Method as “Annual Special Tax A” levied within the Community Facilities District pursuant to the Act, the Ordinance Levying Special Taxes, the Rate and Method and the Indenture.

“State” means the State of California.

“Supplemental Indenture” means any supplemental indenture amendatory of or supplemental to the Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

“Surplus Fund” means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Tax Certificate" means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2013 Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Taxable Property" has the meaning ascribed thereto in the Rate and Method.

"Trustee" means Zions First National Bank, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee under the Indenture substituted in its place as provided in the Indenture.

"Undeveloped Property" has the meaning ascribed thereto in the Rate and Method.

"Verification Report" means, with respect to the deemed payment of Bonds pursuant to clause (ii) of the provisions of the Indenture summarized in paragraph (a) under the heading "DEFEASANCE – Bonds Deemed To Have Been Paid," a report of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of the Indenture as summarized under such clause (ii) of the Indenture.

"Written Certificate" and **"Written Request"** of the Community Facilities District mean, respectively, a written certificate or written request signed in the name of the Community Facilities District by an Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

CERTAIN PROVISIONS OF THE BONDS

Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Community Facilities District, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Community Facilities District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Community Facilities District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like aggregate principal amount in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Community Facilities District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under the provisions of the Indenture summarized in this paragraph and of the expenses which may be incurred by the Community Facilities District and the Trustee. Any Bond of a Series issued under the provisions of the Indenture summarized in this paragraph in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Community Facilities District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Indenture with all other Bonds of such Series secured by the Indenture.

Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such Authorized Denominations as may be determined by the Community Facilities District, shall be in fully-registered form without coupons and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond shall be executed by the Community Facilities District and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Community Facilities District issues temporary Bonds of a Series it shall execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver, in exchange for such temporary Bonds, an equal aggregate principal amount of definitive Bonds of such Series and maturities in Authorized Denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under the Indenture as definitive Bonds of such Series authenticated and delivered under the Indenture.

Contents of Notice of Redemption. The Trustee on behalf and at the expense of the Community Facilities District shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books and to the Original Purchaser, at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, if any, the Bond numbers and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption. With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid within the meaning of the Indenture, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Community Facilities District shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Community Facilities District, (b) with respect to any mandatory redemption pursuant to the Special Tax prepayments provisions of the Indenture and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a *pro rata* basis as nearly as practicable, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate $5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

For more information relating to the redemption of the Bonds, see “THE BONDS – Redemption” in the front part of this Official Statement.

ADDITIONAL BONDS

Conditions for the Issuance of Additional Bonds. The Community Facilities District may at any time issue one or more Series of Additional Bonds (in addition to the Series 2013 Bonds) payable from Net Special Tax Revenues as provided in the Indenture on a parity with all other Bonds theretofore issued under the Indenture, but only subject to the following conditions, which are made conditions precedent to the issuance of such Additional Bonds:

(a) upon the issuance of such Additional Bonds, no Event of Default shall have occurred and be continuing under the Indenture;

(b) the issuance of such Additional Bonds shall have been authorized under and pursuant to the Indenture and the Act and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) the purposes for which the proceeds of such Additional Bonds are to be applied, which purposes may only include one or more of (A) providing funds to pay costs of the EMWD Facilities, (B) providing funds to refund any Bonds previously issued under the Indenture, (C) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, (D) providing funds to capitalize interest on such Additional Bonds, and (E) providing funds to make any deposit to the Reserve Fund required pursuant to paragraph (vii) below;

(ii) the principal amount and designation of such Series of Additional Bonds and the interest rate to be borne by each maturity of such Additional Bonds;

(iii) that such Additional Bonds shall be payable as to interest on the Interest Payment Dates, except that the first installment of interest may be payable on either March 1 or September 1 and shall be for a period of not longer than twelve months;

(iv) the date, the maturity date or dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, however, that each such maturity date and date on which a mandatory sinking fund redemption is to be made shall be a September 1 and, provided, further, that serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(v) the redemption premiums and terms, if any, for such Additional Bonds;

(vi) the form of such Additional Bonds;

(vii) the amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Reserve Fund; provided, however, that the amount on deposit in the Reserve Fund at the time that such Additional Bonds become Outstanding shall be at least equal to the Reserve Requirement; and

(viii) such other provisions that are appropriate or necessary and are not inconsistent with the provisions of the Indenture;

(c) The Community Facilities District shall have received a certificate from one or more Independent Consultants that, taken together, certify that:

(i) on the basis of the parcels of land and improvements existing in the Community Facilities District, and the ownership thereof, as of the date 60 days prior to the date of issuance of such Additional Bonds, for each Fiscal Year that Bonds will be Outstanding, the amount of the Available Special Taxes that may, in such Fiscal Year, be levied on all Developed Property that, as of such date 60 days prior to the date of issuance of such Additional Bonds, was owned by end-users is at least equal to 75% of Annual Debt Service for the Corresponding Bond Year on all Outstanding Bonds;

(ii) the sum of (A) the Assessed Value of parcels of Taxable Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Taxable Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least ten times the sum of (I) the aggregate principal amount of Bonds that will be Outstanding after the issuance of such Additional Bonds, plus (II) the aggregate principal amount of all fixed lien special assessments levied on parcels of Taxable Property, based upon information from the most recent Fiscal Year for which such information is available, plus (III) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Taxable Property, and the denominator of which is the total amount of special taxes levied for such Other CFD Bonds on all parcels of land (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on such Other CFD Bonds occurs), based upon information from the most recent Fiscal Year for which such information is available; and

(iii) the sum of (A) the Assessed Value of parcels of Undeveloped Property for which a Qualified Appraisal Report has not been provided, plus (B) the Appraised Value of parcels of Undeveloped Property for which a Qualified Appraisal Report has been provided, as such Appraised Value is shown in such Qualified Appraisal Report, is at least three times the sum of (I) the aggregate principal amount of Bonds that will be Outstanding after the issuance of such Additional Bonds Allocable to Undeveloped Property, plus (II) the aggregate principal amount of all fixed lien special assessments levied on parcels of Undeveloped Property, based upon information from the most recent Fiscal Year for which such information is available, plus (III) the sum of a portion of the aggregate principal amount of Other CFD Bonds, which portion shall be equal to the aggregate principal amount of such Other CFD Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for such Other CFD Bonds on parcels of Undeveloped Property, and the denominator of which is the total amount of special taxes levied for such Other CFD Bonds on all parcels of land (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on such Other CFD Bonds occurs), based upon information from the most recent Fiscal Year for which such information is available.

Notwithstanding the foregoing, if (i) such Additional Bonds are being issued to refund previously issued Bonds, and (ii) Annual Debt Service in each Bond Year, calculated for all Bonds that will be Outstanding after the issuance of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds which are Outstanding immediately prior to the issuance of such Additional Bonds, the receipt of the certificate described in paragraph (c), above, shall not be a condition precedent to the issuance of such Additional Bonds.

Nothing contained in the Indenture shall limit the issuance of any special tax bonds payable from Special Taxes if, after the issuance and delivery of such special tax bonds, none of the Bonds theretofore issued under the Indenture will be Outstanding.

Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds shall be executed by the Community Facilities District for issuance under the Indenture and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) a certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) a Written Request of the Community Facilities District as to the delivery of such Additional Bonds;

(c) a Written Certificate of the Community Facilities District stating that the conditions precedent to the issuance of such Additional Bonds specified in the Indenture as summarized herein under the heading "ADDITIONAL BONDS – Conditions for the Issuance of Additional Bonds" have been satisfied;

(d) an opinion of Bond Counsel substantially to the effect that (i) the Indenture and all Supplemental Indentures have been duly authorized, executed and delivered by, and constitute the valid and binding obligations of, the Community Facilities District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State), (ii) such Additional Bonds constitute valid and binding special obligations of the Community Facilities District and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State), and (iii) the issuance of such Additional Bonds, in and of itself, will not adversely affect the exclusion of interest on the Bonds Outstanding prior to the issuance of such Additional Bonds from gross income for federal income tax purposes;

(e) the proceeds of the sale of such Additional Bonds; and

(f) such further documents or money as are required by the provisions of the Indenture or by the provisions of the Supplemental Indenture authorizing the issuance of such Additional Bonds.

Additional Bonds. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any Additional Bonds or obligations payable from Net Special Tax Revenues on a parity with the Bonds, except pursuant to the Indenture as summarized herein under the headings "ADDITIONAL BONDS – Conditions for the Issuance of Additional Bonds" and "—Procedure for the Issuance of Additional Bonds." So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any obligations payable from Net Special Tax Revenues on a basis senior or subordinate to the Bonds.

SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

Pledge. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act, the Community Facilities District pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Community Facilities District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

Special Tax Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Special Tax Fund." As soon as practicable after the receipt by the Community Facilities District of any Special Tax Revenues, but in any event no later than the date ten Business Days prior to the Interest Payment Date after such receipt, the Community Facilities District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided, however, that with respect to any such Special Tax Revenues that represent prepaid Special Taxes (i) said prepaid Special Taxes shall be identified as such in a Written Certificate of the Community Facilities District delivered to the Trustee at the time such prepaid Special Taxes are transferred to the Trustee, (ii) the portion of such prepaid Special Taxes that is to be applied to the Redemption Price of the Bonds shall be identified in such Written Certificate of the Community Facilities District, shall be deposited by the Trustee in the Redemption Fund and shall be applied to the redemption of Bonds as described in the provisions of the Indenture relating to mandatory redemption from Special Tax prepayments and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued, and (iii) the portion of such prepaid Special Taxes that is to be applied to the payment of interest on the Bonds to be so redeemed shall be identified in such Written Certificate of the Community Facilities District, shall be deposited by the Trustee in the Interest Account and shall be applied to the payment of such interest.

(b) Upon receipt of a Written Request of the Community Facilities District, the Trustee shall withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the amount specified in such Written Request of the Community Facilities District as the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses.

(c) On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer to the Administrative Expense Fund, the Trustee shall withdraw from the Special Tax Fund Net Special Tax Revenues in an amount sufficient to enable the Trustee to make the following transfers in the following order of priority:

(i) *Interest Account*. To the Interest Account, the amount, if any, necessary to cause the amount on deposit in the Interest Account to be equal to the interest due on the Bonds on such Interest Payment Date;

(ii) *Principal Account*. To the Principal Account, the amount, if any, necessary to cause the amount on deposit in the Principal Account to be equal to the principal, if any, due on the Bonds on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds; and

(iii) *Reserve Fund*. To the Reserve Fund, the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement.

(d) During the period from and including September 2 in each year to and including December 20 in such year, upon receipt of a Written Request of the Community Facilities District, after having made any requested transfer to the Administrative Expense Fund, the Trustee shall withdraw from the Special Tax Fund and transfer to the Surplus Fund the amount specified in such Written Request of the Community Facilities District.

Bond Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Bond Fund." Within the Bond Fund, the Trustee shall establish and maintain a separate account designated the "Principal Account" and a separate account designated the "Interest Account." The Trustee shall deposit in the Interest Account and the Principal Account from time to time the amounts required to be deposited therein pursuant to the Indenture as summarized herein under the heading "SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS – Special Tax Fund." There shall additionally be deposited in the Interest Account the portion, if any, of the proceeds of the sale of Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) In the event that, on the Business Day prior to an Interest Payment Date, amounts in the Interest Account are insufficient to pay the interest on the Bonds due and payable on such Interest Payment Date, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Interest Account.

(c) On each Interest Payment Date, the Trustee shall withdraw from the Interest Account for payment to the Owners of the Bonds the interest on the Bonds then due and payable.

(d) In the event that, on the Business Day prior to a September 1 on which principal of the Bonds is due and payable, including principal due and payable by reason of mandatory sinking fund redemption of the Bonds, amounts in the Principal Account are insufficient to pay such principal, after having withdrawn any amounts from the Reserve Fund required to be withdrawn therefrom on such date pursuant to provisions summarized in paragraph (b) above, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Principal Account.

(e) On each September 1 on which principal of the Bonds is due and payable, including principal due and payable by reason of mandatory sinking fund redemption of the Bonds, the Trustee shall withdraw from the Principal Account for payment to the Owners of the Bonds such principal then due and payable.

Reserve Fund. (a) The Trustee shall establish and maintain a special fund designated the "Reserve Fund." On the Closing Date, the Trustee shall deposit in the Reserve Fund the amount specified in the Indenture. The Trustee shall deposit in the Reserve Fund from time to time the amounts required to be deposited therein pursuant to the Indenture as summarized herein under the heading "SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS – Special Tax Fund." There shall additionally be deposited in the Reserve Fund, in connection with the issuance of Additional Bonds, the amount required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) Except as otherwise provided in the provisions of the Indenture summarized under this heading ("– Reserve Fund"), amounts in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of (i) making transfers to the Interest Account in accordance with the Indenture as summarized herein under paragraph (b) under the heading "SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS – Bond Fund" in the event of any deficiency at any time in the Interest Account of the amount then required for payment of the interest on the Bonds, (ii) making transfers to the Principal Account in accordance with the Indenture as summarized herein under paragraph (d) under the heading "SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS – Bond Fund" in the event of any deficiency at any time in the Principal Account of the amount then required for payment of the principal of the Bonds, and (iii) redeeming Bonds in accordance with the provisions of the Indenture summarized under this heading ("– Reserve Fund").

(c) Whenever Bonds are to be optionally redeemed or redeemed from Special Tax prepayments, a proportionate share, determined as provided below, of the amount on deposit in the Reserve Fund shall, on the date on which amounts to redeem such Bonds are deposited in the Redemption Fund or otherwise deposited with the Trustee pursuant to the Indenture as summarized herein under the heading "DEFEASANCE – Bonds Deemed To Have Been Paid" be transferred by the Trustee from the Reserve Fund to the Redemption Fund or to such deposit held by the Trustee and shall be applied to the redemption of said Bonds; provided, however, that such amount shall be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Bonds to be redeemed). Such proportionate share shall be equal to the largest integral multiple of the minimum Authorized Denomination for said Bonds that is not larger than the amount equal to the product of (i) the amount on deposit in the Reserve Fund on the date of such transfer, times (ii) a fraction, the numerator of which is the principal amount of Bonds to be so redeemed and the denominator of which is the principal amount of Bonds to be Outstanding on the day prior to the date on which such Bonds are to be so redeemed.

(d) Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee shall, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Interest Account, Principal Account and/or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Bonds.

(e) If, as a result of the scheduled payment of principal of or interest on the Bonds, the Reserve Requirement is reduced, the Trustee shall transfer an amount equal to the amount of such reduction to the Interest Account.

Redemption Fund. (a) The Trustee shall establish and maintain a special fund designated the "Redemption Fund." The Trustee shall deposit in the Redemption Fund (i) amounts received from the Community Facilities District or transferred from the Surplus Fund pursuant to the Indenture as summarized herein under paragraph (b) under the heading "SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS – Surplus Fund," in connection with the Community Facilities District's exercise of its rights to optionally redeem Bonds, (ii) the portion of prepaid Special Taxes required to be deposited therein pursuant to the Indenture as summarized herein under paragraph (a) under the heading "SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS – Special Tax Fund," (iii) amounts required to be transferred to the Redemption Fund from the Reserve Fund pursuant to the Indenture as summarized herein under paragraphs (c) or (d) under the heading "SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS – Reserve Fund," and (iv) amounts required to be deposited therein pursuant to any Supplemental Indenture.

(b) Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the Redemption Price of Series 2013 Bonds redeemed as described in the optional redemption or mandatory redemption from Special Tax prepayments provisions of the Indenture, and for the payment of the Redemption Price of Additional Bonds redeemed under the Supplemental Indenture pursuant to which such Additional Bonds are issued (other than mandatory sinking fund redemptions thereof).

Rebate Fund. The Trustee shall establish and maintain a special fund designated the "Rebate Fund." There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the Community Facilities District. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to the Indenture, or anything to the contrary contained in the Indenture, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by the provisions of the Indenture summarized in this paragraph and by the Tax Certificate (which is incorporated in the Indenture by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Community Facilities District, and shall have no liability or responsibility to enforce compliance by the Community Facilities District with the terms of the Tax Certificate. The Trustee may conclusively rely upon the Community Facilities District's determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Community Facilities District's calculations. Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in the provisions of the Indenture summarized in this paragraph, shall, upon receipt by the Trustee of a Written Request of the Community Facilities District, be withdrawn by the Trustee and remitted to the Community Facilities District.

Administrative Expense Fund. (a) The Trustee shall establish and maintain a special fund designated the "Administrative Expense Fund." On the Closing Date, the Trustee shall deposit in the Administrative Expense Fund the amount specified in the Indenture. The Trustee shall deposit in the Administrative Expense Fund the amounts transferred from the Special Tax Fund and required to be deposited therein pursuant to the Indenture.

(b) The moneys in the Administrative Expense Fund shall be used and withdrawn by the Trustee from time to time to pay the Administrative Expenses upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred and that such purpose constitutes an Administrative Expense, (iv) that such payment is a proper charge against the Administrative Expense Fund, and (v) that such amounts have not been the subject of a prior disbursement from the Administrative Expense Fund; in each case together with a statement or invoice for each amount requested thereunder.

Surplus Fund. The Trustee shall establish and maintain a special fund designated the "Surplus Fund." The Trustee shall deposit in the Surplus Fund from time to time the amounts transferred from the Special Tax Fund and required to be deposited therein pursuant to the Indenture.

Upon receipt of a Written Request of the Community Facilities District, the Trustee shall withdraw from the Surplus Fund the amount specified in such Written Request of the Community Facilities District and (i) if so specified in such Written Request of the Community Facilities District, transfer such amount to the Redemption Fund to be applied to the optional redemption of Bonds, or (ii) if so specified in such Written Request of the Community Facilities District, transfer such amount to the Community Facilities District to be applied to the payment of costs that the Community Facilities District is authorized to pay from Special Taxes.

Costs of Issuance Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Costs of Issuance Fund." On the Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to the Indenture. There shall additionally be deposited in the Cost of Issuance Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment is a proper charge against the Costs of Issuance Fund, and (v) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. On the last Business Day that is no later than six months after the Closing Date, the Trustee shall, from the amount, if any, remaining in the Costs of Issuance Fund (i) transfer 47.51% of such amount to the Almaden Account, and (ii) transfer 52.49% of such amount to the Cado Account and, upon making such transfers, the Costs of Issuance Fund shall be closed.

(c) If the Costs of Issuance Fund has been closed in accordance with the provisions of the Indenture, the Costs of Issuance Fund shall be reopened and reestablished by the Trustee in connection with the issuance of any Additional Bonds, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Improvement Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Improvement Fund." Within the Improvement Fund, the Trustee shall establish and maintain a separate account designated the "Almaden Account" and a separate account designated the "Cado Account." On the Closing Date, the Trustee shall deposit in each of the Almaden Account and the Cado Account the amount required to be deposited therein pursuant to the Indenture. There shall additionally be deposited in the Almaden Account and the Cado Account the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) The moneys in the Almaden Account shall be used and withdrawn by the Trustee from time to time to pay the costs of the EMWD Facilities upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment constitutes a cost of the EMWD Facilities and is a proper charge against the Almaden Account, and (v) that such amounts have not been the subject of a prior disbursement from the Almaden Account.

Upon the filing of a Written Certificate of the Community Facilities District stating (i) that the portion of the EMWD Facilities to be financed from the Almaden Account has been completed and that all costs of such EMWD Facilities have been paid, or (ii) that such portion of the EMWD Facilities has been substantially completed and that all remaining costs of such portion of the EMWD Facilities have been determined and specifying the amount to be retained therefor, the Trustee shall (A) if the amount remaining in the Almaden Account (less any such retention) is equal to or greater than $25,000, transfer the portion of such amount equal to the largest integral multiple of $5,000 that is not greater than such amount to the Redemption Fund, to be applied to the redemption of Bonds, and (B) after making the transfer, if any, required to be made pursuant to the preceding clause (A), transfer all of the amount remaining in the Almaden Account (less any such retention) to the Bond Fund, to be applied to the payment of interest on the Bonds.

(c) The moneys in the Cado Account shall be used and withdrawn by the Trustee from time to time to pay the costs of the EMWD Facilities upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment constitutes a cost of the EMWD Facilities and is a proper charge against the Cado Account, and (v) that such amounts have not been the subject of a prior disbursement from the Cado Account.

Upon the filing of a Written Certificate of the Community Facilities District stating (i) that the portion of the EMWD Facilities to be financed from the Cado Account has been completed and that all costs of such EMWD Facilities have been paid, or (ii) that such portion of the EMWD Facilities has been substantially completed and that all remaining costs of such portion of the EMWD Facilities have been determined and specifying the amount to be retained therefor, the Trustee shall (A) if the amount remaining in the Cado Account (less any such retention) is equal to or greater than $25,000, transfer the portion of such amount equal to the largest integral multiple of $5,000 that is not greater than such amount to the Redemption Fund, to be applied to the redemption of Bonds, and (B) after making the transfer, if any, required to be made pursuant to the preceding clause (A), transfer all of the amount remaining in the Cado Account (less any such retention) to the Bond Fund, to be applied to the payment of interest on the Bonds.

Investment of Moneys. (a) Except as otherwise provided in the Indenture, all moneys in any of the funds or accounts established pursuant to the Indenture held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in a Written Request of the Community Facilities District received by the Trustee no later than two Business Days prior to the making of such investment. Moneys in all such funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in the Indenture; provided, however, that Permitted Investments in which moneys in the Reserve Fund are so invested shall mature no later than the earlier of five years from the date of investment or the final maturity date of the Bonds and, provided, further, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. Absent a timely Written Request of the Community Facilities District with respect to the investment of moneys in any of the funds or accounts established pursuant to the Indenture held by the Trustee, the Trustee shall invest such moneys in Permitted Investments described in paragraph (h) of the definition thereof.

(b) Subject to the Rebate Fund provisions of the Indenture, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Indenture (other than the Reserve Fund) shall be retained therein. Subject to the Rebate Fund provisions of the Indenture, all interest, profits or other income received from the investment of moneys in the Reserve Fund shall be transferred to the Interest Account; provided, however, that, notwithstanding the foregoing, any such transfer shall be made from the Reserve Fund only if and to the extent that, after such transfer, the amount on deposit in the Reserve Fund is at least equal to the Reserve Requirement.

(c) Permitted Investments acquired as an investment of moneys in any fund or account established under the Indenture shall be credited to such fund or account. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund or account shall be valued by the Trustee at the market value thereof (without regard to costs incurred in the acquisition or disposition thereof, including breakage, unwind or other similar fees), such valuation to be performed not less frequently than semiannually on or before each February 15 and August 15. To the extent of any valuations to be made by the Trustee under the Indenture, the Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system. Any Permitted Investment that is a registrable security shall be registered in the name of the Trustee.

(d) The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Community Facilities District, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments are credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to the provisions of the Indenture summarized under this heading ("–Investment of Moneys"). For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established under the Indenture. The Trustee, in making or disposing of any investment permitted by such provisions of the Indenture, may deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as a principal for its own account.

(e) The Community Facilities District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Community Facilities District the right to receive brokerage confirmations of security transactions as they occur, the Community Facilities District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish the Community Facilities District periodic cash transaction statements, which shall include detail for all investment transactions made by the Trustee under the Indenture.

COVENANTS

Collection of Special Tax Revenues. (a) The Community Facilities District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

(b) Prior to August 1 of each year, the Community Facilities District shall ascertain from the County Assessor the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. The Community Facilities District shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance Levying Special Taxes by each August 10, or otherwise such that the computation of the levy is complete before the final date on which the County Auditor will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Community Facilities District shall prepare or cause to be prepared, and shall transmit to the County Auditor, such data as the County Auditor requires in order to include the levy of the Special Taxes on the next real property tax roll.

(c) The Community Facilities District shall fix and levy the amount of Special Taxes within the Community Facilities District in each Fiscal Year in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the maximum Special Tax that may be levied, in an amount sufficient to yield Special Tax Revenues in the amount required for (i) the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the Corresponding Bond Year, (ii) any necessary replenishment of the Reserve Fund, and (iii) the payment of Administrative Expenses estimated to be paid from such Special Tax Revenues, taking into account the balances in the funds and accounts established under the Indenture.

(d) The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable (or in such other manner as the Board of Trustees shall determine, including direct billing of the affected property owners), and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the *ad valorem* taxes on real property.

Foreclosure. Pursuant to Section 53356.1 of the Act, the Community Facilities District covenants with and for the benefit of the Owners that it will determine or cause to be determined, on or about June 15 of each year, whether or not any owners of property within the Community Facilities District are delinquent in the payment of Special Taxes and, if such delinquencies exist, the Community Facilities District will send or cause to be sent a notice of delinquency and demand for payment thereof to the property owner within 45 days of such determination and if such delinquency remains uncured, order and cause to be commenced within 90 days of such determination of delinquency, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due; provided, however, that the Community Facilities District shall not be required to order the commencement of foreclosure proceedings if (a) the total Special Tax delinquency in the Community Facilities District for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year, and (b) the amount then on deposit in the Reserve Fund is equal to the Reserve Requirement. Notwithstanding the foregoing, if the Community Facilities District determines that any single property owner in the Community Facilities District is delinquent in excess of $2,000 in the payment of the Special Tax, then the Community Facilities District shall diligently institute, prosecute and pursue foreclosure proceedings against such property owner.

Compliance with Act. The Community Facilities District shall comply with all applicable provisions of the Act.

Punctual Payment. The Community Facilities District shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Net Special Tax Revenues and other assets pledged for such payment as provided in the Indenture and received by the Community Facilities District or the Trustee.

Extension of Payment of Bonds. The Community Facilities District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in the provisions of the Indenture summarized in this paragraph shall be deemed to limit the right of the Community Facilities District to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Against Encumbrances; Defense of Pledge. The Community Facilities District shall not create, or permit the creation of, any pledge of, lien on, security interest in or charge or other encumbrance upon the assets pledged under the Indenture, except as permitted by the Indenture. The Community Facilities District shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of such assets, and the lien thereon and security interest therein created by the Indenture, against all claims and demands of all Persons whomsoever.

Tax Covenants. (a) The Community Facilities District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2013 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Community Facilities District shall comply with the requirements of the Tax Certificate, which is incorporated in the Indenture as if fully set forth in the Indenture. The covenant summarized under this heading ("– Tax Covenants") shall survive payment in full or defeasance of the Series 2013 Bonds.

(b) In the event that at any time the Community Facilities District is of the opinion that for purposes of the provisions of the Indenture summarized under this heading ("– Tax Covenants") it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established under the Indenture, the Community Facilities District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of the Indenture summarized under this heading ("– Tax Covenants"), if the Community Facilities District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under such provisions of the Indenture is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2013 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of such provisions of the Indenture and of the Tax Certificate, and the covenants under the Indenture shall be deemed to be modified to that extent.

Non-Cash Payments of Special Taxes. The Community Facilities District shall not authorize owners of taxable parcels within the Community Facilities District to satisfy Special Tax obligations by the tender of Bonds unless the Community Facilities District shall have first obtained a report of an Independent Consultant certifying that doing so would not result in the Community Facilities District having insufficient Special Tax Revenues to pay the principal of and interest on all Outstanding Bonds when due.

Reduction in Special Taxes. The Community Facilities District shall not initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the security for the Bonds. If an initiative is adopted that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, the Community Facilities District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds.

Continuing Disclosure. Each of the Community Facilities District and the Trustee shall comply with and carry out all of the provisions of the Continuing Disclosure Agreement applicable to it. Notwithstanding any other provision of the Indenture, failure of the Community Facilities District or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2013 Bonds, and upon receipt of indemnification reasonably satisfactory to the Trustee, shall) or any Owner or Beneficial Owner of the Series 2013 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Accounting Records. The Community Facilities District shall keep or cause to be kept appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Special Taxes, which records shall be available for inspection by the Trustee at reasonable hours and under reasonable conditions.

State Reporting. If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal of or interest on the Bonds, the Trustee shall notify the Community Facilities District in writing of such failure or withdrawal, and the Community Facilities District shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal within ten days of the failure to make such payment or the date of such withdrawal.

Annual Reports to the California Debt and Investment Advisory Commission. Not later than October 30 of each year, commencing October 30, 2014 and continuing until the October 30 following the final maturity of the Bonds, the Community Facilities District shall supply to the California Debt and Investment Advisory Commission the information required to be provided thereto pursuant to Section 53359.5(b) of the Act. Such information shall be made available to any Owner upon written request to the

Community Facilities District accompanied by a fee determined by the Community Facilities District to pay the costs of the Community Facilities District in connection therewith. The Community Facilities District shall in no event be liable to any Owner or any other Person in connection with any error in any such information.

Further Assurances. The Community Facilities District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

EVENTS OF DEFAULT AND REMEDIES

Events of Default. The following events shall be Events of Default:

(a) failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise;

(b) failure to pay any installment of interest on any Bonds when and as the same shall become due and payable;

(c) failure by the Community Facilities District to observe and perform any of the other covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Community Facilities District by the Trustee, or to the Community Facilities District and the Trustee by the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that, if in the reasonable opinion of the Community Facilities District the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Community Facilities District within such 60 day period and the Community Facilities District shall thereafter diligently and in good faith cure such failure in a reasonable period of time; or

(d) the commencement by the Community Facilities District of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Foreclosure. If an Event of Default shall occur under the Indenture as summarized herein under paragraphs (a) or (b) under the heading "EVENTS OF DEFAULT AND REMEDIES – Events of Default" then, and in each and every such case during the continuance of such Event of Default, the Trustee may, or at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, and upon being indemnified to its satisfaction therefor, shall, commence foreclosure against any parcels of land in the Community Facilities District with delinquent Special Taxes, as provided in Section 53356.1 of the Act.

Other Remedies. If an Event of Default shall have occurred and be continuing, the Trustee shall have the right:

(a) by mandamus, suit, action or proceeding, to compel the Community Facilities District and its officers, agents or employees to perform each and every term, provision and covenant contained in the Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Community Facilities District and the fulfillment of all duties imposed upon it by the Indenture and the Act;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the rights of the Trustee or the Owners; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Community Facilities District and its officers and employees to account as if it and they were the trustees of an express trust.

Remedies Not Exclusive. No remedy in the Indenture conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or otherwise.

Application of Net Special Tax Revenues After Default. If an Event of Default shall occur and be continuing, all Net Special Tax Revenues and any other funds thereafter received by the Trustee under any of the provisions of the Indenture shall be applied by the Trustee as follows and in the following order:

(a) to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture;

(b) to the payment of the principal and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

First: to the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference;

(c) any remaining funds shall be transferred by the Trustee to the Special Tax Fund.

Power of Trustee to Enforce. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of the Indenture.

Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee; provided, however, that such direction shall not be otherwise than in accordance the provisions of the Indenture, the Act and other applicable law and, provided, further, that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

Limitation on Owners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Act or any other applicable law with respect to such Bond, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers granted in the Indenture or to institute such suit, action or proceeding in its own name, (c) such Owner or said Owners shall have tendered to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy under the Indenture or under law; it being understood and intended that no one or more Owners shall have any right in any manner whatever by such Owner's or Owners' action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners, or to enforce any right under the Bonds, the Indenture, the Act or other applicable law with respect to the Bonds, except in the manner in the Indenture provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner in the Indenture provided and for the benefit and protection of all Owners, subject to the provisions of the Indenture.

Absolute Obligation. Nothing in the Indenture or the Bonds contained shall affect or impair the obligation of the Community Facilities District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners at their respective dates of maturity, or upon call for redemption, as in the Indenture provided, but only out of the Net Special Tax Revenues and other assets in the Indenture pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners, then in every such case the Community Facilities District, the Trustee and the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights under the Indenture, severally and respectively, and all rights, remedies, powers and duties of the Community Facilities District, the Trustee and the Owners shall continue as though no such proceedings had been taken.

No Waiver of Default. No delay or omission of the Trustee or of any Owner to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by the Indenture to the Trustee or to the Owners may be exercised from time to time and as often as may be deemed expedient.

TRUSTEE

Duties and Liabilities of Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in the Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Qualifications; Removal and Resignation; Successors. (a) The Trustee initially a party to the Indenture and any successor thereto shall at all times be a trust company, national banking association or bank having trust powers in good standing in or incorporated under the laws of the United States or any state thereof, having (or if such trust company, national banking association or bank is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and surplus of at least $75,000,000, and subject to supervision or examination by a federal or state agency. If such trust company, national banking association or bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of the provisions summarized in this paragraph (a), the combined capital and surplus of such trust company, national banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Community Facilities District may, by an instrument in writing, upon at least 30 days' notice to the Trustee, remove the Trustee initially a party to the Indenture and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party to the Indenture and any successor thereto if (i) at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), or (ii) the Trustee shall cease to be eligible in accordance with the provisions of the Indenture summarized in the immediately preceding paragraph (a), or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee.

(c) The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the Community Facilities District, and to the Owners at the respective addresses shown on the Registration Books. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of the Indenture summarized in the immediately preceding paragraph (a), the Trustee shall resign immediately in the manner and with the effect specified in the Indenture.

(d) Upon removal or resignation of the Trustee, the Community Facilities District shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that any successor Trustee shall be qualified as provided in the provisions of the Indenture summarized in the immediately preceding paragraph (a). If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following notice of removal or notice of resignation as aforesaid, the removed or resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee in the Indenture; but, nevertheless at the Written Request of the Community Facilities District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions in the Indenture set forth. Upon acceptance of appointment by a successor Trustee as provided in the provisions summarized in this paragraph (d), the successor Trustee shall, within 15 days after such acceptance, mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts under the Indenture to the Owners at the addresses shown on the Registration Books.

(e) Any trust company, national banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated or any trust company, national banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, national banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such trust company, national banking association or bank shall be eligible under the Indenture, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything in the Indenture to the contrary notwithstanding.

Liability of Trustee. (a) The recitals of facts in the Indenture and in the Bonds contained shall be taken as statements of the Community Facilities District, and the Trustee shall not assume responsibility for the correctness of the same or incur any responsibility in respect thereof, other than as expressly stated in the Indenture in connection with the respective duties or obligations in the Indenture or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds.

(b) The Trustee makes no representations as to the validity or sufficiency of the Indenture or of any Bonds, or in respect of the security afforded by the Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value, the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or the application of any moneys paid to the Community Facilities District or others in accordance with the Indenture.

(c) The Trustee shall not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct.

(d) No provision of the Indenture or any other document related to the Indenture shall require the Trustee to risk or advance its own funds.

(e) The Trustee may execute any of its powers or duties under the Indenture through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents or receivers if selected by it with reasonable care.

(f) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(g) The immunities and protections extended to the Trustee also extend to its directors, officers, employees and agents.

(h) Before taking action under the Indenture as summarized herein under the heading "EVENTS OF DEFAULT AND REMEDIES" or under "TRUSTEE" or upon the direction of the Owners, the Trustee may require indemnity satisfactory to the Trustee be furnished to it to protect it against all fees and expenses, including those of its attorneys and advisors, and protect it against all liability it may incur.

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

(j) The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(k) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(l) The Trustee shall not be liable for the failure to take any action required to be taken by it under the Indenture if and to the extent that the Trustee's taking such action is prevented by reason of an act of God, terrorism, war, riot, strike, fire, flood, earthquake, epidemic or other, similar occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care.

(m) The Trustee shall not be deemed to have knowledge of an Event of Default under the Indenture unless it has actual knowledge thereof.

(n) The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

(o) The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions of the Indenture.

Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds, the Special Tax Revenues received by it and all funds and accounts established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the Community Facilities District, during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the Community Facilities District a monthly accounting of the funds and accounts it holds under the Indenture; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of zero, and (b) has not had any activity since the last reporting date.

SUPPLEMENTAL INDENTURES

Supplemental Indentures. (a) The Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners under the Indenture may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into when there are filed with the Trustee the written consents of the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Indenture as summarized herein under the heading "MISCELLANEOUS – Disqualified Bonds." No such modification or amendment shall (i) extend the fixed maturity of any Bond, reduce the amount of principal thereof or the rate of interest thereon, extend the time of payment thereof or alter the redemption provisions thereof, without the consent of the Owner of each Bond so affected, (ii) permit any pledge of, or the creation of any lien on, security interest in or charge or other encumbrance upon the assets pledged under the Indenture prior to or on a parity with the pledge contained in, and the lien and security interest created by, the Indenture or deprive the Owners of the pledge contained in, and the lien and security interest created by, the Indenture, except as expressly provided in the Indenture, without the consent of the Owners of all of the Bonds then Outstanding, or (iii) modify or amend the provisions of the Indenture relating to supplemental indentures without the prior written consent of the Owners of all Bonds then Outstanding.

(b) The Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners under the Indenture may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Owners for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Community Facilities District in the Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power in the Indenture reserved to or conferred upon the Community Facilities District;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in the Indenture, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners under the Indenture;

(iii) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of the Indenture;

(iv) to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect;

(v) to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(vi) in any other respect whatsoever as the Community Facilities District may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners under the Indenture.

(c) Promptly after the execution by the Community Facilities District and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Community Facilities District), by first-class mail, postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to the Indenture as summarized herein under the heading "SUPPLEMENTAL INDENTURES," the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Community Facilities District, the Trustee and the Owners shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Amendment of Particular Bonds. The provisions of the Indenture as summarized herein under the heading "SUPPLEMENTAL INDENTURES" shall not prevent any Owner from accepting any amendment or modification as to any particular Bond owned by it, provided that due notation thereof is made on such Bond.

DEFEASANCE

Discharge of Indenture. (a) If the Community Facilities District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated in the Indenture and therein, then the Owners shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets as provided in the Indenture, and all agreements, covenants and other obligations of the Community Facilities District under the Indenture shall thereupon cease, terminate and become void and the Indenture shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Community Facilities District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Community Facilities District all money or securities held by it pursuant to the Indenture which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of the Indenture summarized in the immediately preceding paragraph (a), when any Bond shall have been paid and if, at the time of such payment, the Community Facilities District shall have kept, performed and observed all of the covenants and promises in such Bonds and in the Indenture required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then the Indenture shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets as provided in the Indenture, and all agreements, covenants and other obligations of the Community Facilities District under the Indenture shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of the Indenture or the discharge and satisfaction of the Indenture in respect of any Bond, those provisions of the Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of such Bond, and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on such Bond, and to pay to the Owner of such Bond the funds so held by the Trustee as and when such payment becomes due.

Bonds Deemed To Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in the Indenture as summarized herein under the heading "DEFEASANCE – Discharge of Indenture." Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in the Indenture as summarized herein under the heading "DEFEASANCE – Discharge of Indenture" if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Community Facilities District shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of the Indenture, notice of redemption of such Bond on said redemption date, said notice to be given in accordance with the Indenture, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, together with the money, if any, deposited therewith, will provide moneys which shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and (iii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Community Facilities District shall have given the Trustee, in form satisfactory to it, irrevocable instructions to mail as soon as practicable, a notice to the Owner of such Bond that the deposit required by clause (ii) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with the provisions of the Indenture and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond.

(b) No Bond shall be deemed to have been paid pursuant to the provisions of the Indenture summarized in clause (ii) of the immediately preceding paragraph (a) unless the Community Facilities District shall have caused to be delivered to the Community Facilities District and the Trustee (i) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Community Facilities District and the Trustee, in form and in substance acceptable to the Community Facilities District and the Trustee, (ii) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (ii)(B) of the provisions of the Indenture summarized in the immediately preceding paragraph (a) resulting in such deemed payment, which escrow agreement shall be in form and in substance acceptable to the Community Facilities District and the Trustee and which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report, and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (iii) a copy of an opinion of Bond Counsel, dated the date of such deemed payment and addressed to the Community Facilities District and the Trustee, in form and in substance acceptable to the Community Facilities District and the Trustee, to the effect that such Bond has been paid within the meaning and with the effect expressed in the Indenture, the Indenture has been discharged in respect of such Bond and all agreements, covenants and other obligations of the Community Facilities District under the Indenture as to such Bond have ceased, terminated, become void and been completely discharged and satisfied.

Unclaimed Moneys. Any moneys held by the Trustee in trust for the payment and discharge of the principal of, or premium or interest on, any Bond which remain unclaimed for two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, premium or interest become payable, shall be repaid by the Trustee to the Community Facilities District as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owner of such Bond shall look only to the Community Facilities District for the payment of such principal, premium or interest.

MISCELLANEOUS

Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the Community Facilities District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained required by the Indenture to be performed by or on behalf of the Community Facilities District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Limitation of Rights. Nothing in the Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Trustee, the Community Facilities District and the Owners any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or in the Indenture contained, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the Community Facilities District and the Owners.

Destruction of Bonds. Whenever in the Indenture provision is made for the cancellation by the Trustee and the delivery to the Community Facilities District of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds.

Evidence of Rights of Owners. Any request, consent or other instrument required or permitted by the Indenture to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee and the Community Facilities District if made in the manner provided in the provisions of the Indenture summarized in this paragraph. The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of Bonds shall be proved by the Registration Books. Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Community Facilities District in accordance therewith or reliance thereon.

Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Community Facilities District, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of the provisions of the Indenture summarized in this paragraph if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Community Facilities District shall specify in a certificate to the Trustee those Bonds disqualified pursuant to provisions summarized in this paragraph and the Trustee may conclusively rely on such certificate.

Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners entitled thereto, subject, however, to the provisions of the Indenture as summarized herein under the heading "DEFEASANCE – Unclaimed Moneys" but without any liability for interest thereon.

Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with prudent corporate trust industry standards to the extent practicable, and with due regard for the requirements of the Indenture and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish any such additional funds or accounts as it deems necessary to perform its obligations under the Indenture.

Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in the Indenture and, unless otherwise specifically provided in the Indenture, no interest shall accrue for the period from and after such nominal date.

Waiver of Personal Liability. No member, officer, agent or employee of the Community Facilities District or the School District shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing contained in the Indenture shall relieve any such member, officer, agent or employee from the performance of any official duty provided by any applicable provision of law or by the Indenture.

Conflict with Act. In the event of any conflict between any provision of the Indenture and any provision of the Act, the provision of the Act shall prevail over the provision of the Indenture.

Conclusive Evidence of Regularity. Bonds issued pursuant to the Indenture shall constitute evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Governing Laws. The Indenture shall be governed by and construed in accordance with the laws of the State.

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the School District nor the Trustee take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or

maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding

detail information from School District or Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Trustee, or School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of School District or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to School District or Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that School District believes to be reliable, but School District takes no responsibility for the accuracy thereof.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

by and between

**COMMUNITY FACILITIES DISTRICT NO. 2005-2
OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT**

and

**ZIONS FIRST NATIONAL BANK,
AS TRUSTEE**

Dated as of September 1, 2013

**Community Facilities District No. 2005-2
of the San Jacinto Unified School District
Special Tax Bonds (Infrastructure Projects), Series 2013**

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "Disclosure Agreement"), dated as of September 1, 2013, is by and between COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT, a community facilities district organized and existing under the laws of the State of California (the "Community Facilities District"), and ZIONS FIRST NATIONAL BANK, a national banking association organized and existing under the laws of the United States of America, as Trustee (the "Trustee").

W I T N E S S E T H :

WHEREAS, the Community Facilities District has issued the Community Facilities District No. 2005-2 of the San Jacinto Unified School District Special Tax Bonds (Infrastructure Projects), Series 2013 (the "Series 2013 Bonds"), in the aggregate principal amount of $925,000, pursuant to the Indenture, dated as of September 1, 2013 (the "Indenture"), by and between the Community Facilities District and the Trustee; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Community Facilities District and the Trustee for the benefit of the owners and beneficial owners of the Series 2013 Bonds and in order to assist the underwriters of the Series 2013 Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

"Annual Report" means any Annual Report provided by the Community Facilities District pursuant to, and as described in, Sections 2 and 3 hereof.

"Annual Report Date" means the date in each year that is the last day of the month that is seven months after the end of the Community Facilities District's fiscal year, which date, as of the date of this Disclosure Agreement, is January 31.

"Community Facilities District" means Community Facilities District No. 2005-2 of the San Jacinto Unified School District, a community facilities district organized and existing under the laws of the State, and its successors.

"Disclosure Representative" means the Assistant Superintendent, Business Services of the San Jacinto Unified School District, or his or her designee, or such other person as the Community Facilities District shall designate in writing to the Trustee from time to time.

"Dissemination Agent" means Willdan Financial Services, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Community Facilities District and which has filed with the Trustee a written acceptance of such designation.

"Indenture" means the Indenture, dated as of September 1, 2013, by and between the Community Facilities District and Zions First National Bank, as originally executed and as it may be amended or supplemented from time to time in accordance with its terms.

"Listed Events" means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" means the Official Statement, dated September 12, 2013, relating to the Series 2013 Bonds.

"Participating Underwriter" means any of the original underwriters of the Series 2013 Bonds required to comply with the Rule in connection with the offering of the Series 2013 Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Trustee" means Zions First National Bank, as Trustee under the Indenture, or any successor thereto as Trustee thereunder, substituted in its place as provided therein.

Section 2. Provision of Annual Reports. (a) The Community Facilities District shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report that is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2012-13 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Community Facilities District, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Community Facilities District's fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Community Facilities District shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Community Facilities District and the Dissemination Agent to determine if the Community Facilities District is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Trustee shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide each Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the Community Facilities District and (if the Dissemination Agent is not the Trustee) the Trustee certifying that such Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided to the MSRB.

Section 3. Content of Annual Reports. The Community Facilities District's Annual Report shall contain or incorporate by reference the following:

(a) The Community Facilities District's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Community Facilities District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements, in a format similar to that used for the Community Facilities District's audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) The following information:

(i) The principal amount of Series 2013 Bonds Outstanding as of the December 31 next preceding the Annual Report Date;

(ii) The principal amount of Additional Bonds Outstanding as of the December 31 next preceding the Annual Report Date;

(iii) The balance in the Reserve Fund, and a statement of the Reserve Requirement, as of the December 31 next preceding the Annual Report Date;

(iv) The total assessed value of all parcels currently subject to the Special Tax District, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, showing the total assessed valuation for all land and the total assessed valuation for all improvements within the Community Facilities District and distinguishing between the assessed value of improved and unimproved parcels. Parcels are considered improved if there is an assessed value for the improvements in the Assessor's records;

(v) With respect to delinquencies in the payment of the Special Tax, (A) updates of Table 6 in the Official Statement for the Fiscal Year ended on the June 30 next preceding the Annual Report Date, together with information regarding any cumulative delinquencies from prior Fiscal Years that remain uncured, and (B) the status of any foreclosure actions undertaken by the Community Facilities District during the Fiscal Year ended on the June 30 next preceding the Annual Report Date;

(vi) The amount of any prepayments of the Special Tax made during the Fiscal Year ended on the June 30 next preceding the Annual Report Date;

(vii) A land ownership summary listing any property owners responsible for more than 5% of the annual Special Tax levy, as shown on the assessment roll of the Riverside County Assessor last equalized prior to the December 31 next preceding the Annual Report Date;

(viii) An updated table in substantially the form of the table in the Official Statement entitled "Appraised Values and Value to Burden Ratios" based upon the most recent information available, provided that assessed values shown on the assessment roll of the Riverside County Assessor last equalized prior to the December 31 next preceding the Annual Report Date may be substituted for appraised values;

(ix) An updated table in substantially the form of the table in the Official Statement entitled "Direct and Overlapping Governmental Obligations" as of the June 30 next preceding the Annual Report Date, provided that such table shall not be required to be included in the Annual Report for the Fiscal Year in which all of the Taxable Property in the Community Facilities District is classified as "Developed Property" under the Rate and Method or in the Annual Report for any Fiscal Year thereafter;

(x) A description of any changes to the Rate and Method that became effective during the Fiscal Year ended on the June 30 next preceding the Annual Report Date; and

(xi) A copy of the annual information required to be filed by the Community Facilities District with the California Debt and Investment Advisory Commission no later than the October 30 next preceding the Annual Report Date pursuant to Section 53359.5(b) of the Act.

In addition to any of the information expressly required to be provided under the preceding paragraphs (a) and (b), the Community Facilities District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Community Facilities District or related public entities, that have been made available to the public on the MSRB's website. The Community Facilities District shall clearly identify each such other document so included by reference.

Section 4. <u>Reporting of Significant Events</u>. (a) Pursuant to the provisions of this Section, the Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2013 Bonds in a timely manner not later than ten business days after the occurrence of the event:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties.

(iv) Substitution of credit or liquidity providers, or their failure to perform.

(v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).

(vi) Tender offers.

(vii) Defeasances.

(viii) Rating changes.

(ix) Bankruptcy, insolvency, receivership or similar event of the Community Facilities District.

For purposes of the event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Community Facilities District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Community Facilities District.

(b) Pursuant to the provisions of this Section, the Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2013 Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) Unless described in paragraph (v) of subsection (a) of this Section, material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2013 Bonds or other material events affecting the tax status of the Series 2013 Bonds.

(ii) Modifications to rights of holders of the Series 2013 Bonds.

(iii) Optional, unscheduled or contingent Series 2013 Bond calls.

(iv) Release, substitution, or sale of property securing repayment of the Series 2013 Bonds.

(v) Non-payment related defaults.

(vi) The consummation of a merger, consolidation, or acquisition involving the Community Facilities District or the sale of all or substantially all of the assets of the Community Facilities District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vii) Appointment of a successor or additional Trustee or the change of name of a Trustee.

(c) The Trustee shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and inform such person of the event.

(d) Whenever the Community Facilities District obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the Community Facilities District shall determine if such event would be material under applicable Federal securities law.

(e) Whenever the Community Facilities District obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable Federal securities law, the Community Facilities District shall, or shall cause the Dissemination Agent to, file a notice of the occurrence of such Listed Event with the MSRB, within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (vii) of subsection (a) of this Section and (iii) of subsection (a) of this Section need not be given any earlier than the notice (if any) of the underlying event is given to holders of affected Series 2013 Bonds pursuant to the Indenture.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The Community Facilities District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2013 Bonds. If such termination occurs prior to the final maturity of the Series 2013 Bonds, the Community Facilities District shall give, or cause to be given, notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The Community Facilities District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Community Facilities District. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Community Facilities District and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Community Facilities District, so long as such amendment does not adversely affect the rights or materially increase the obligations of the Trustee), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsection (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2013 Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Series 2013 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Series 2013 Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Series 2013 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Community Facilities District shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Community Facilities District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Community Facilities District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Community Facilities District chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Community Facilities District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 10. Default. In the event of a failure of the Community Facilities District, the Trustee or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% of the aggregate principal amount of Outstanding Series 2013 Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any Owner or Beneficial Owner of the Series 2013 Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Community Facilities District, the Trustee or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Community Facilities District, the Trustee or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. Neither the Trustee nor the Dissemination Agent shall be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement To the extent permitted by law, the Community Facilities District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, and which are not due to its negligence or its willful misconduct. The obligations of the Community Facilities District under this Section shall survive resignation or removal of the Dissemination Agent and the termination of this Disclosure Agreement.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Community Facilities District, the Trustee, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Series 2013 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT

By: ______________________________________

ZIONS FIRST NATIONAL BANK, AS TRUSTEE

By: ______________________________________
Authorized Signatory

ACCEPTED AND AGREED TO:

WILLDAN FINANCIAL SERVICES, AS DISSEMINATION AGENT

By: ______________________________________
Authorized Signatory

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Community Facilities District No. 2005-2 of the San Jacinto Unified School District
Name of Issue:	Community Facilities District No. 2005-2 of the San Jacinto Unified School District Special Tax Bonds (Infrastructure Projects), Series 2013
Date of Issuance:	September 26, 2013

NOTICE IS HEREBY GIVEN that Community Facilities District No. 2005-2 of the San Jacinto Unified School District (the "Community Facilities District") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of September 1, 2013, by and between the Community Facilities District and Zions First National Bank, as Trustee. [The Community Facilities District anticipates that such Annual Report will be filed by ____________.]

Dated: _________________

Zions First National Bank, as Trustee,
on behalf of the Community Facilities
District No. 2005-2 of the San Jacinto
Unified School District

cc: Community Facilities District
No. 2005-2 of the
San Jacinto Unified School District

APPENDIX G

FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Community Facilities District, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:

[Date of Delivery]

Community Facilities District No. 2005-2
of the San Jacinto Unified School District
San Jacinto, California

Community Facilities District No. 2005-2
of the San Jacinto Unified School District
Special Tax Bonds (Infrastructure Projects), Series 2013
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to Community Facilities District No. 2005-2 of the San Jacinto Unified School District (the "Community Facilities District") in connection with the issuance by the Community Facilities District of its Community Facilities District No. 2005-2 of the San Jacinto Unified School District Special Tax Bonds (Infrastructure Projects), Series 2013 (the "Series 2013 Bonds"), in the aggregate principal amount of $925,000, pursuant to the Indenture, dated as of September 1, 2013 (the "Indenture"), by and between the Community Facilities District and Zions First National Bank, as trustee (the "Trustee"). Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate, opinions of counsel to the Community Facilities District and the Trustee, certificates of the Community Facilities District, the Trustee and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Series 2013 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Community Facilities District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause the interest on the Series 2013 Bonds to be included in gross income for federal income tax purposes. In addition, we call attention to the fact that the rights and obligations under the Series 2013 Bonds, the Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against governmental entities such as the Community Facilities District in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, judicial reference, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the plans, specifications, maps, reports or other engineering or financial details of the proceedings, or upon the Rate and Method or the validity of the Special Taxes levied upon any individual parcel. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2013 Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2013 Bonds constitute valid and binding special obligations of the Community Facilities District, payable, as provided in the Indenture, solely from Net Special Tax Revenues and the other assets pledged therefor under the Indenture.

2. The Indenture has been duly executed and delivered by, and constitutes a valid and binding obligation of, the Community Facilities District.

3. Interest on the Series 2013 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Series 2013 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2013 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX H

COMMUNITY FACILITIES DISTRICT BOUNDARY MAP

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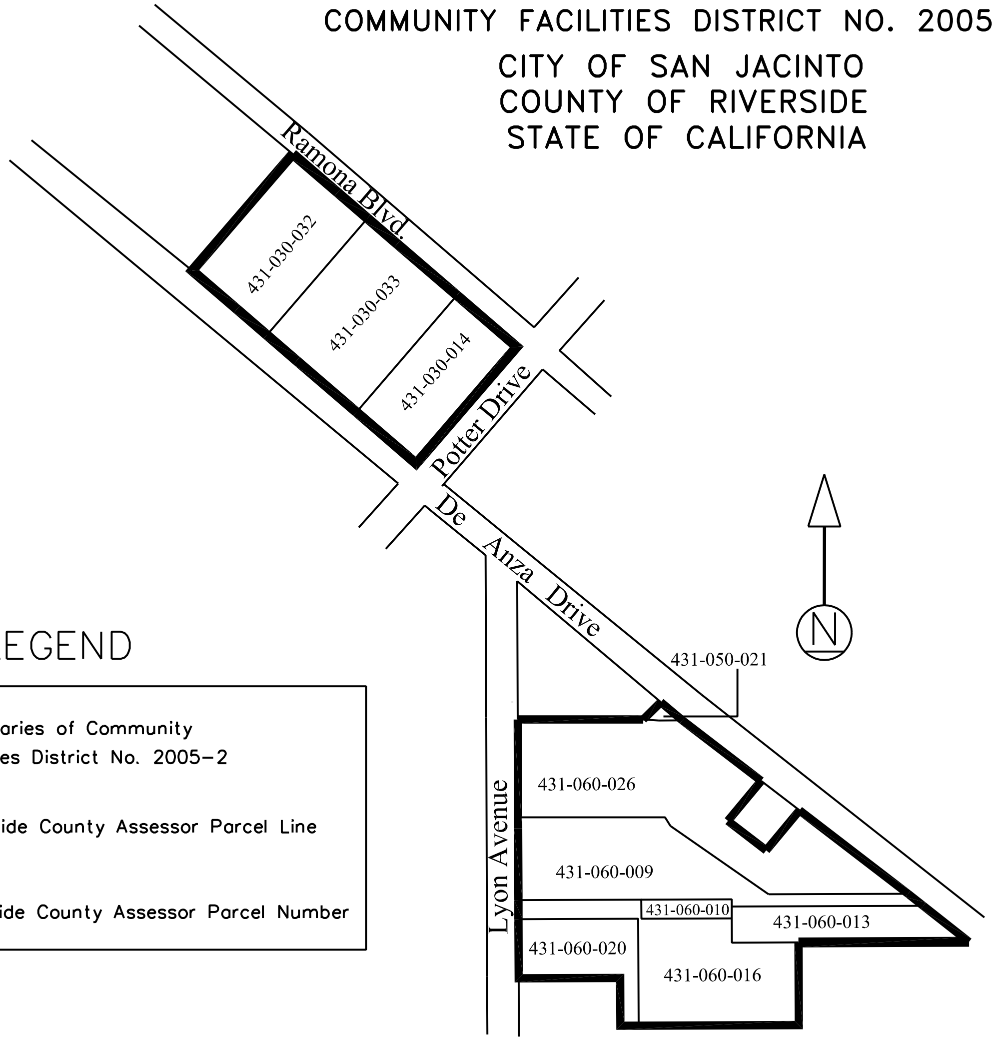
SHEET 1 OF 1

PROPOSED BOUNDARIES OF
SAN JACINTO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2005-2
CITY OF SAN JACINTO
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA



LEGEND

(heavy line)	Boundaries of Community Facilities District No. 2005-2
(thin line)	Riverside County Assessor Parcel Line
nnn-nnn-nnn	Riverside County Assessor Parcel Number

(1) Filed in the office of the Clerk of the Board of Trustees this ____ day of ________, 20____.

____
Clerk of the Board of Trustees

(2) I hereby certify that the within map showing the amended boundaries of Community Facilities District No. 2005-2, City of San Jacinto, County of Riverside, State of California, was approved by the Board of Trustees at a regular meeting thereof, held on this______ day of _________, 20____, by its Resolution No. __________.

____
Clerk of the Board of Trustees

(3) Filed this _____ day of _________, 20____, at the hour of _____ o'clock __m, in Book ______ of Maps of Assessment and Community Facilities Districts at page ______ and as Instrument No. ______, in the office of the County Recorder of Riverside County, State of California.

____
County Recorder of Riverside County

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

PREPARED BY
DAVID TAUSSIG & ASSOCIATES, INC.

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COMMUNITY FACILITIES DISTRICT NO. 2005-2 OF THE SAN JACINTO UNIFIED SCHOOL DISTRICT • SPECIAL TAX BONDS (INFRASTRUCTURE PROJECTS), SERIES 2013

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