

COUNTY OF SAN BENITO
Community Facilities District No. 2018-1
(Residential Services)

PETITION
(With Waivers)

To Create a Community Facilities District
and Related Matters

August 7, 2018

To The Board of Supervisors
County of San Benito
481 4th St., 1st Floor
Hollister, CA 95023-3840

Members of the Board of Supervisors:

This is a petition to create a community facilities district and related matters under the Mello-Roos Community Facilities Act of 1982 (the "Act"), and it states as follows:

1. Petitioner. This petition ("Petition") is submitted by the persons (each, a "Petitioner," and together, the "Petitioners") identified below as the record owner(s) of the parcels of land identified below (the "Property"), who have signed this Petition in separate counterparts. Each Petitioner warrants to the County of San Benito (the "County") that the Petitioner is such owner. The Assessor Parcels comprising the Property are listed on the attached Exhibit A and contain 47.03 Acres

2. Proceedings Requested. This Petition asks that the Board of Supervisors (the "Board") undertake proceedings under the Act to create a community facilities district to be designated "County of San Benito Community Facilities District No. 2018-1 (Residential Services)" (the "CFD") to levy special taxes in the CFD.

3. Boundaries. This Petition asks that the territory to be included in the boundaries of the CFD consist of that shown on a map of the proposed boundaries of the CFD filed with the Clerk of the Board and which map is shown in Exhibit C attached hereto and made a part hereof and includes the Property.

4. Purpose. This Petition asks that the CFD be created and that the special taxes be levied to finance all or a part of the public services (the "Services") shown in Exhibit B attached hereto and made a part hereof.

5. Special Tax. Each Petitioner agrees that the County will, subject to the approval of the Petitioner in the proceedings for the CFD, be authorized to levy a Special Tax in the CFD to pay for the Services, subject to the completion of all proceedings by the County under the Act.

6. Election. Each Petitioner asks that the special property-owner election to be held under the Act to authorize the Special Tax and establish any appropriations limits for the CFD be conducted by the County and its officials using a mailed or hand-delivered ballot, and that such ballot be canvassed and the results certified at the same meeting of the Council as the public hearing relating to the CFD under the Act, or as soon thereafter as possible.

7. Waivers. To expedite the completion of the proceedings for the CFD, each Petitioner waives notices of election, applicable waiting periods under the Act for the holding of any public hearing and for election and all ballot arguments and analysis for the election, it being acknowledged by the Petitioner that all such timing for notices are for the benefit of the Petitioner and may be waived.

8. Authority Warranted. Each Petitioner warrants to the County that the presentation of this Petition, any waivers contained herein, casting of ballots at the property owner election and other actions mandated by the County for the formation of the CFD shall not constitute or be construed as events of default or delinquencies under any existing or proposed financing documents entered into or to be entered into by the Petitioner for the Property, including any "due-on-encumbrance" clauses under any existing security instruments secured by the Property. If requested by the County, the Petitioner agrees, at its expense, to supply to the County current title evidence so that the County may supply any notice and ballot required under the Act for the establishment of the CFD.

9. Due-Diligence and Disclosures. Each Petitioner agrees to cooperate with the County, its attorneys and consultants and to provide all information and disclosures required by the County about the Special Tax to purchasers of the Property or any part of it.

10. Agreements. Each Petitioner further agrees to execute such additional or supplemental agreements as may be required by the County to provide for any of the actions and conditions under this Petition, including any amount of cash deposit required to pay for the County's costs in establishing the CFD. Petitioner agrees that this Petition shall not be considered as filed with the County for purposes of commencing proceedings for the CFD under the Act unless and until deemed filed by the County in its absolute discretion.

The Petitioners (record owners) are:

KB Home South Bay, Inc., a California Corporation

By: _____ (print name)

By: _____ (signature)

Title: _____

Mailing Address:

5000 Executive Parkway, Suite 125
San Ramon, CA 94583

EXHIBIT A

**COUNTY OF SAN BENITO
Community Facilities District No. 2018-1
(Residential Services)**

ASSESSORS PARCEL NUMBERS

ID	APN	Acres
1	020-280-041-000	28.69
2	020-280-043-000	5.27
3	020-280-055-000	10.30
4	020-320-007-000	2.77

EXHIBIT B

COUNTY OF SAN BENITO Community Facilities District No. 2018-1 (Residential Services)

DESCRIPTION OF SERVICES

Services:

The services to be funded, in whole or in part, by the community facilities district (the "District") include all direct and incidental costs related to providing for the maintenance of public infrastructure within the area of the District, the future annexation area, and areas adjacent to or in the vicinity of such areas. More specifically, the services shall include, but not be limited to: (i) police, fire and related paramedic services of the County of San Benito required to sustain the public safety service delivery capability for emergency and non-emergency services including related facilities, equipment, vehicles, fire apparatus, services, supplies and personnel; (ii) recreation program services and library services; (iii) maintenance and lighting of parks, parkways, streets, roads and open space; (iv) flood and storm protection services; as well as the provision of other public services authorized to be funded under Section 53313 of the California Government Code. The District may fund any of the following related to the services described in the preceding sentence: obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/ or equipment, apparatus, facilities or fixtures in areas to be maintained, paying the salaries and benefits of personnel necessary or convenient to provide the services, payment of insurance costs and other related expenses and the provision of reserves for repairs and replacements and for the future provision of services. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

The services to be financed by the District are in addition to those provided in the territory of the District before the date of creation of the District, and will not supplant services already available within that territory when the District is created.

Administrative Expenses:

The administrative expenses to be funded by the District include the direct and indirect expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the County of San Benito related to the District or the collection of special taxes, an allocable share of the salaries of the County staff directly related thereto and a proportionate amount of the County's general administrative overhead related thereto, any amounts paid by the County from its general fund with respect to the District or the services authorized to be financed by the District, and expenses incurred by the County in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the County in any way related to the District.

Other:

The incidental expenses that may be funded by the District include, in addition to the administrative expenses identified above, the payment or reimbursement to the County of all costs associated with the establishment and administration of the District.

EXHIBIT C

**COUNTY OF SAN BENITO
Community Facilities District No. 2018-1
(Residential Services)**

MAP OF PROPOSED BOUNDARIES

The map of proposed boundaries of the CFD is shown on the following page.

