

**UNANIMOUS APPROVAL
of Annexation to a Community Facilities District
and Related Matters**

**CITY OF HOLLISTER
Community Facilities District No. 5**

November 3, 2025

To the Honorable City Council,
City of Hollister
375 Fifth Street
Hollister, CA 95023

Members of the City Council:

This constitutes the Unanimous Approval (the "Unanimous Approval") of the record owner(s) (the "Property Owner") of the fee title to the real property identified below (the "Property") contemplated by Section 53339.3 et seq. of the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") to annexation of the Property to the City of Hollister Community Facilities District No. 5 (the "CFD"), and it states as follows:

1. **Property Owner.** This Unanimous Approval is submitted by the Property Owner as the record owner(s) of fee title to the Property. The Property Owner has supplied to the City current evidence of its ownership of fee title to the Property.
2. **Approval of Annexation.** This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the annexation of the Property to the CFD. The CFD was formed to finance the municipal services (the "Services") described in the Notice of Special Tax Lien recorded in the Office of the County Recorder of the County of San Benito, State of California on September 11, 2018 at the hour of 11:22 am as Document No. 2018-0008292 ("CFD No. 5 Notice of Special Tax Lien").
3. **Approval of Special Tax and the Services.** This Unanimous Approval constitutes the unanimous approval and unanimous vote by the Property Owner in favor of the levy of special taxes (the "Special Taxes") on the Property to finance the Services, according to the Rate and Method of Apportionment of Special Taxes (the "Rate and Method") for the CFD attached hereto as Exhibit B and made a part hereof. Exhibit A includes the cost estimate for the services.
4. **Waivers and Vote.** The Property Owner hereby confirms that this Unanimous Approval constitutes its approval and unanimous vote as described herein and as contemplated by Section 53339.3 et seq. of the Act and Article XIII A of the California Constitution. The Property Owner hereby waives all time limits, notices, and procedures that might otherwise be required in connection with the annexation of the Property to the CFD.
5. **Recordation of Amendment to Notice of Special Tax Lien.** The Property Owner hereby authorizes and directs the City Clerk to execute and cause to be recorded in the office of the County Recorder of the County of San Benito an amendment to the CFD No. 5 Notice of Special Tax Lien for the CFD as required by Section 3117.5 of the California Streets and Highways Code. The amendment to the CFD No. 5 Notice of Special Tax Lien shall include the Rate and Method as an exhibit thereto.

- 6. Authority Warranted.** The Property Owner warrants to the City that the presentation of this Unanimous Approval, any votes, consents or waivers contained herein, and other actions mandated by the City for the annexation of the Property to 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 Property Owner for the Property, including any "due-on-encumbrance" clauses under any existing security instruments secured by the Property.
- 7. Due Diligence and Disclosures.** The Property Owner agrees to cooperate with the City and its attorneys and consultants and to provide all information and disclosures required by the City about the Special Taxes to purchasers of the Property or any part of it.
- 8. Agreements.** The Property Owner further agrees to execute such additional or supplemental agreements as may be required by the City to provide for any of the actions and conditions described in this Unanimous Approval, including any cash deposit required to pay for the City's costs in annexing the Property to the CFD.
- 9. The Property.** The Property is identified as follows:

Address: 2001 Memorial Drive
APNs: 057-770-043, -044, -045, -046, -047, -048
Acres: 1.38

- 10. Voting.** As there are less than twelve registered voters within the area designated for this annexation, votes are allocated on a per-acre basis. The votes for and against this annexation area as follows:

Total Acres: 1.38
Total Votes: 2
No. of Votes Yes 2
No. of Votes No 0

By executing this Unanimous Approval, the Property Owner agrees to all of the above.

Annexation No. 27

Property Owner:

R&C McDonald Family Trust

By: 

Name: Roger McDonald

Title:

Notice Address: 51 Old Ranch Road
Hollister, CA 95023

(attach acknowledgment by notary)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of SAN BENITO

On 10/3/25 before me, Mari Martin, Notary Public
(insert name and title of the officer)

personally appeared Roger A. McDonald,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



EXHIBIT A

Cost Estimate (Fiscal Year 2025-26):

The proposed maximum special tax for developed and undeveloped property which may be levied during Fiscal Year 2025-26 is:

Land Use Class	Description	Fiscal Year 2025/26 Maximum Special Tax per Unit
1	Residential Property	\$990.44 per Unit
2	Multi-Family Property	\$811.52 per Unit
No Tax for Undeveloped Property		
No Tax for Tax-Exempt Property		

Escalation of the Maximum Special Tax:

Each year, the amount to be charged to reach residential unit shall be established by taking the base amount and adjusting it by the change in the CPI for each subsequent year following the base year. The CPI shall be determined by the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Indexes, Pacific Cities and U.S. City Average, San Francisco-Oakland-San Jose from December 1, 2025, to the December 1 next preceding the Fiscal Year of Special Tax Levy.

In any year, the Special Tax shall not be deemed to have been increased within the meaning of the Ralph M. Brown Act (section 54954.6 of the California Government Code) or other relevant provisions of state law if the amount of the increase is not more than pro rata to the increase in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Prices Indexes, Pacific Cities and U.S. City Average, San Francisco-Oakland-San Jose from February to the February 1 next preceding the Fiscal Year of Special Tax Levy.

Exhibit B

City of Hollister COMMUNITY FACILITIES DISTRICT NO. 5 (Police & Fire Services)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the City of Hollister Community Facilities District No. 5 (Police & Fire) shall be levied and collected according to the tax liability determined by the City or its designee, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or as defined below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of limited size (e.g. granny cottage, second unit) that shares a Parcel with one residential dwelling unit.

"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 or other parcel map recorded with the County.

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

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the formation and administration of the CFD including but not limited to the costs of computing the Special Tax and preparing the annual Special Tax collection schedules (whether by the City or any designee thereof or both); the costs of collecting the Special Taxes, the costs to the City or CFD or any designee thereof of complying with CFD or City disclosure requirements, the costs associated with responding to public inquiries, protests or appeals regarding the Special Taxes; the costs of the City annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD for any other administrative purpose of the CFD including attorney's fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

“Administrator” means the person or firm designated by the City to administer the Special Taxes according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor Parcel Number that constitutes vertical space of an underlying land Parcel

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

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

“Assessor’s Parcel Number” or “APN” means a unique number assigned to an Assessor’s Parcel by the assessor for purposes of identifying a property.

“Authorized Services” means those public services authorized to be funded, in whole or in part, by the CFD as set forth in the documents adopted by the Council when the CFD was formed.

“Building Permit” means a single permit or set of permits required to construct an entire residential structure or mixed use structure. If a permit is for a foundation, parking, landscaping or other related facility or amenity, but a building permit has not yet been issued for the structure served by these facilities or amenities, such permit shall not be considered a “Building Permit” for purposes of application of the Special Tax.

“CFD” or “CFD No. 5” means the City of Hollister Community Facilities District No. 5 (Police & Fire).

“City” means the City of Hollister.

“Consumer Price Index” means the Consumer Price Index published by the U.S. Bureau of Labor Statistics for “All Items” in the San Francisco-Oakland-San Jose Area Urban Wage Earners and Clerical Workers, measured each calendar year. If this index ceases to be published, the Consumer Price Index will be another index as determined by the CFD Administrator or City that is reasonably comparable to the Consumer Price Index for the San Francisco Bay Area.

“Council” means the City Council of the City of Hollister, acting as the legislative body of CFD No. 5.

“County” means the County of San Benito.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property, excluding Property Owners Association Property and Public Property, for which a Building Permit was issued prior to June 1 of the preceding Fiscal Year.

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

“Land Use Class” means any of the classes listed in Table 1.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Section C below.

“Multi-Family Property” means in any Fiscal Year, all Parcels of Developed Property for which Building Permits were issued for construction of a residential structure consisting of two or more residential units that share a common wall.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit has been issued for a non-residential use and does not contain any residential units as defined under Residential Property or Multi-Family Property.

“Property Owners Association Property” means any property within the boundaries of the CFD that is owned in fee or irrevocably dedicated as indicated in an instrument recorded with the County to, a property owners association, including any master or sub-association.

“Proportionately” means, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels within each Land Use Class.

“Public Property” means any property within the boundaries of the CFD that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Residential Property” means all Assessor’s Parcel of Developer Property for which a building permit has been issued for purposes of constructing one residential dwelling unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts

needed to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the tax will be collected; less any surplus of funds available from the previous Fiscal Years Special Tax levy, as determined by the City.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the CFD which are not exempt from the Special Taxes pursuant to law or as defined herein.

“Tax-Exempt Property” means all Assessor’s Parcels not subject to the Special Tax. Tax-Exempt Property includes: (i) Public Property, (ii) Property Owners Association Property and (iii) Non-Residential Property.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property not classified as Developed Property.

“Unit” means any separate residential dwelling unit in which a person or persons may live, which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units and is not considered to be for commercial or industrial use. An Accessory Unit that shares a Parcel with Residential Property shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAXES

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel Numbers for all Parcels of Taxable Property within the CFD. All Taxable Property within the CFD shall be classified as Developed Property or Undeveloped Property. Developed Property shall be further assigned to a Land Use Class as specified in Table 1 and be subject to the Special Tax pursuant to Section C and Section D below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Taxes separately for Developed Property and Undeveloped Property within the subdivided area, then levy the sum of these two amounts on the master Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAXES

1. *Developed Property*

**Table 1
Maximum Special Tax for Developed Property
CFD No. 5**

Land Use Class	Description	Fiscal Year 2018/19 Maximum Special Tax per Unit
1	Residential Property	\$ 775.00
2	Multi-Family Property	\$ 635.00

***** Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Taxes shown in Table 1 above shall be adjusted by applying the increase, if any, in the Consumer Price Index that has occurred from December of the prior Fiscal Year to December of the then-current Fiscal Year. Each annual adjustment of the Maximum Special Tax shall become effective on the subsequent July 1, without additional action by the City Council.***

2. Undeveloped Property; Tax Exempt Property

No Special Tax shall be levied on Undeveloped Property or Tax Exempt Property.

D. METHOD OF LEVY OF THE SPECIAL TAXES

Commencing with Fiscal Year 2018/19, and for each following Fiscal Year, the City shall levy the Special Tax until the amount of the Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year on each Assessor's Parcel of Developed Property Proportionately up to 100% of the applicable Maximum Special Tax.

E. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

G. TERM OF SPECIAL TAX

The Special Tax shall be levied in perpetuity, as long as the Authorized Services are provided by the City, as necessary to pay the Special Tax Requirement.

H. INTERPRETATION OF SPECIAL TAX FORMULA

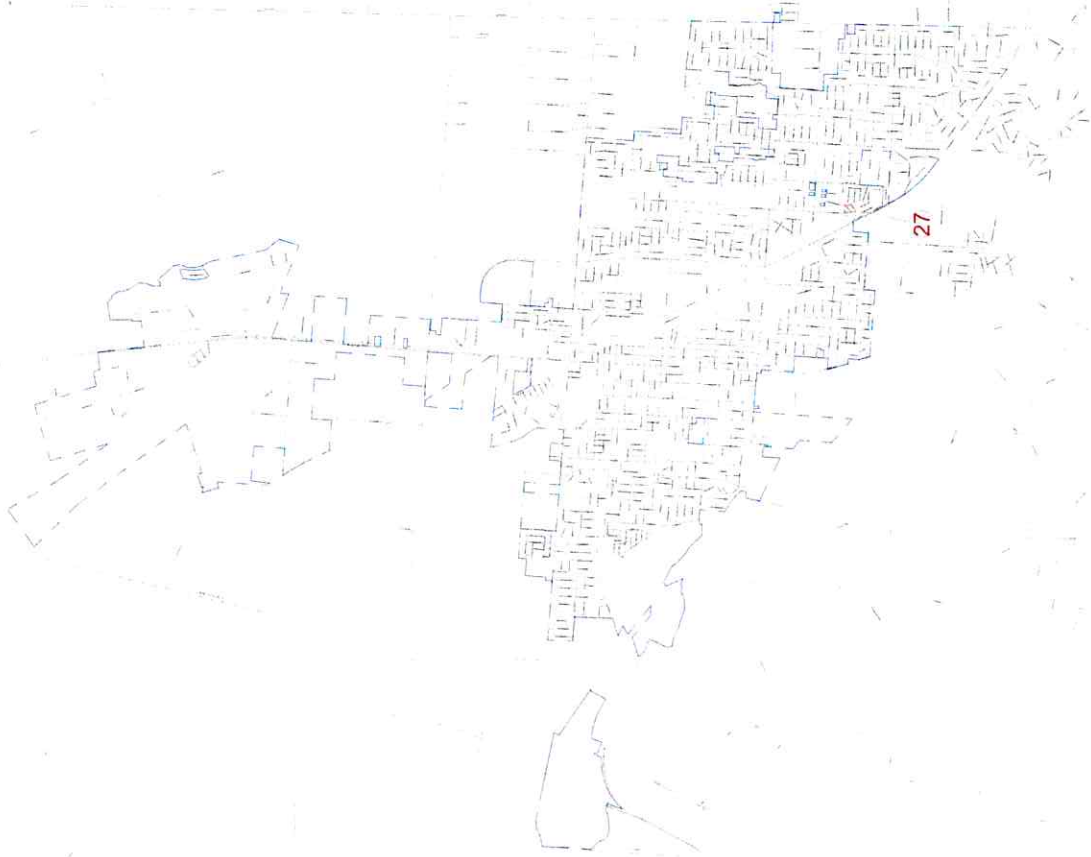
The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, that does not create a material adverse effect on the levy and collection of the Special Taxes.

EXHIBIT C. Proposed Boundary of the Annotti Landing Subdivision

**BOUNDARIES OF
COMMUNITY FACILITY DISTRICT NO. 5**

CITY OF HOLLISTER, COUNTY OF SAN BENITO, STATE OF CALIFORNIA
PREPARED BY THE CITY OF HOLLISTER ENGINEERING DIVISION, OCTOBER 2025

ANNEXATION NO.	SUBDIVISION/PROJECT	TRACT NO.
27	ANNOTTI LANDING	363



CITY CLERK'S STATEMENT

HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF HOLLISTER COMMUNITY FACILITIES DISTRICT NO. 4 CITY OF HOLLISTER COUNTY OF SAN BENITO, STATE OF CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF HOLLISTER AT A MEETING THEREOF HELD ON THE _____ DAY OF _____ 2025 BY ITS RESOLUTION NO. _____

JENIFER WOODWORTH, MMC, CPMC, CITY CLERK

CITY ENGINEER'S STATEMENT

THIS DIAGRAM WAS PREPARED UNDER THE DIRECTION OF THE CITY ENGINEER, AND REPRESENTS THE DISTRICT BOUNDARY AS FILED ON _____ IN THE HOLLISTER CITY CLERK'S OFFICE

MARK FALGOUT, P.E.
CITY ENGINEER

COUNTY RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____ 2025 AT THE HOUR OF _____ O'CLOCK, _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AT PAGE _____ IN THE OFFICE OF THE RECORDER IN THE COUNTY OF SAN BENITO, STATE OF CALIFORNIA.

COUNTY RECORDER, COUNTY OF SAN BENITO

