

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

517C



FROM: County Executive Office

SUBMITTAL DATE:
April 11, 2006

SUBJECT: Ordinance No. 852 An Ordinance of the County of Riverside Authorizing The Levy of a Special Tax within Community Facilities District No. 05-8 (Scott Road) of the County of Riverside.

RECOMMENDED MOTION: That the Board of Supervisors, introduce Ordinance No. 852 authorizing the Levy of a Special Tax within Community Facilities District No. 05-8 (Scott Road), and then adopt at the next board meeting, which in this case will be May 2, 2006, said Ordinance No. 852.

BACKGROUND: On February 28, 2006, the Board adopted Resolution No. 2006-072 calling for a public hearing to be held on April 4, 2006, to consider forming Community Facilities District No. 05-8 (Scott Road) of the County (the "District"), to consider authorizing the levy of special taxes pursuant to the rate and method for apportioning the special taxes, (the "Rate and Method") and to consider paying for certain public facilities and adopted Resolution No. 2006-073 calling for a public hearing to be held on April 4, 2006, to consider authorizing bonded indebtedness in an amount not to exceed \$100,000,000.(Continued on Page 2)

Departmental Concurrence

Debra Cournoyer, Principal Management Analyst

FORM APPROVED
COUNTY COUNSEL

MAR 30 2006

FINANCIAL DATA

Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	No
Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	No
Annual Net County Cost:	\$ N/A	For Fiscal Year:	05/06

SOURCE OF FUNDS: Bond Proceeds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

- Dept't Recomm.: Policy
- Per Exec. Ofc.: Policy
- Consent
- Consent

RECEIVED RIVERSIDE COUNTY
MAY 11 2006

The Board of Supervisors held such noticed public hearing on April 4, 2006, and subsequent to the hearing, adopted Resolution No. 2006-092, establishing the District and the Board, acting ex-officio as the Legislative Body of the District adopted Resolution No. CFD 2006-02, deeming it necessary to incur bonded indebtedness in the maximum principal amount of \$100,000,000. Both resolutions call for an election on April 18, 2006 on three propositions: (i) should the District be able to incur bonded indebtedness in a maximum principal amount of \$100,000,000, (ii) should the District be able to levy a special tax within its boundaries and (iii) should the District establish an annual appropriations limit of \$16,000,000.

The resolutions, consistent with waivers of certain elections procedures executed by all property owners and the provisions of the Act, allowed a special election to be called for April 18, 2006. The Registrar of Voters received ballots from all of the qualified electors by 5:00pm on April 18, 2006 and, consistent with Section 53326(d) of the Government Code, declared the special election closed. The three propositions were approved by more than two thirds (2/3) of the votes cast at the election.

The adoption of Ordinance No. 852, on April 25, 2006, authorizes the levy of special taxes within the District pursuant to the rate and method of apportionment of special tax approved by the Board and the qualified electors. The special tax is to levied commencing in fiscal year 2007-08 and in each fiscal year thereafter until the final maturity date of the all bonds issued.

Staff recommends that the Chairman of the Board of Supervisors be authorized to sign Ordinance No.852 and that the Clerk of the Board of Supervisors attest to the Chairman's signature and then cause the same to be published within fifteen (15) days after its passage on April 25, 2006 at least once in The Press-Enterprise, a newspaper of general circulation published and circulated in the area of the District, and that Ordinance No. 852, authorizing the levy and collection of special taxes within the CFD shall take effect immediately upon its passage in accordance with the provisions of Section 25123 (c) of the California Government Code.

1 appropriations limit therefor, and all other matters as set forth in Resolution Nos. 2006-072 and 2006-073,
2 and at the above-mentioned public hearing, all persons interested, including all taxpayers, persons and
3 entities owning property and registered voters within CFD No. 05-8, were given an opportunity to appear
4 and be heard, and the testimony of all interested persons or taxpayers for or against the establishment of
5 CFD No. 05-8, the acquisition, installation or construction of the Facilities, the boundaries of CFD No.
6 05-8, the future annexation of those parcels located within the specified annexation territory that elect to
7 annex to CFD No. 05-8, the levy of the Special Tax, the levy of the Special Tax on any parcel within the
8 annexation territory that elects to annex to CFD No. 05-8 in the future, the necessity to incur bonded
9 indebtedness, the proposed appropriations limit, or any other matters set forth in said Resolutions, were
10 heard and considered and the Board of Supervisors at the conclusion of said hearing was fully advised in
11 the premises, and was authorized to proceed; and

12 **WHEREAS**, following such public hearing, on April 4, 2006, the Board of Supervisors
13 duly adopted Resolution No. 2006-092 establishing CFD No. 05-8 and the Rate and Method as set forth in
14 Exhibit D to Resolution No. 2006-072 and on the same date the Board of Supervisors, acting ex officio as
15 the legislative body of CFD No. 05-8 (the "Legislative Body") adopted Resolution No. CFD 2006-02
16 determining the necessity to incur bonded indebtedness (including incidental expenses as authorized by
17 the Act) in an aggregate principal amount not to exceed \$100,000,000; and

18 **WHEREAS**, the Board of Supervisors by Resolution No. 2006-092 and the Legislative
19 Body by Resolution No. CFD 2006-02 called a consolidated special election for April 18, 2006 and
20 named the Registrar of Voters and the election official (the "Election Official") to conduct said special
21 election to allow the qualified electors to consider three propositions: (i) authorizing CFD No. 05-8 to
22 incur bonded indebtedness in an aggregate principal amount not to exceed \$100,000,000, (ii) approving
23 the levy of a Special Tax pursuant to the terms of the Rate and Method and (iii) establishing an annual
24 appropriations limit for CFD No. 05-8; and

25 **WHEREAS**, the Election Official declared the consolidated special election closed at 5:00
26 p.m. on April 18, 2006 and the three propositions submitted to the qualified electors were approved by
27 more than two-thirds of the votes cast; and

28 **WHEREAS**, such bonded indebtedness and interest thereon will be payable from the

1 Special Tax levied and collected in accordance with and subject to the maximum rates as specified by the
2 Rate and Method; and

3 **WHEREAS**, the Board of Supervisors is fully advised in the premises;

4 **NOW, THEREFORE**, the Board of Supervisors of the County of Riverside **ORDAINS**,
5 as follows:

6 **Section 1.** The Board of Supervisors finds and determines that the above recitals are true
7 and correct.

8 **Section 2.** The Board of Supervisors authorizes the Legislative Body to levy a Special Tax
9 pursuant to the Rate and Method approved by Resolution No. 2006-072, adopted on February 28, 2006
10 and by the qualified electors of CFD No. 05-8 which is attached hereto as Exhibit A.

11 **Section 3.** The Legislative Body is hereby further authorized each fiscal year by resolution
12 to determine the specific Special Tax to be levied for said fiscal year, except that the Special Tax to be
13 levied shall not exceed that set forth in the Rate and Method, but the Special Tax may be levied at a lower
14 amount.

15 **Section 4.** Properties or entities of the state, federal, or other local governments shall be
16 exempt from the above-referenced and approved Special Tax, except as provided by the Rate and Method
17 and the proceedings relating to CFD No. 05-8, except as provided by Sections 53317.3, 53317.5, and
18 53340.1 of the Code. No other properties or entities are exempt from the Special Tax unless the
19 properties or entities are expressly exempted by the Rate and Method and the proceedings relating to CFD
20 No. 05-8, or a resolution of consideration to levy a new Special Tax or Special Taxes or to alter the rate or
21 method of apportionment or an existing Special Tax as provided in Section 53334 of the Code.

22 **Section 5.** All of the collections of the Special Tax shall be used as provided for in the Act
23 and the proceedings conducted for CFD No. 05-8. The Special Tax shall be levied only so long as needed
24 for its purpose as described in Resolution No. 2006-072.

25 **Section 6.** The above authorized Special Tax shall be collected in the same manner and at
26 the same time as *ad valorem* property taxes and subject to the same penalties and provisions on
27 delinquency, the same procedure, sale and lien priority in case of delinquency as is provided for *ad*
28 *valorem* taxes (which such procedures include the exercise of all rights and remedies permitted by law to

1 make corrections, including, but not limited to, the issuance of amended or supplemental tax bills);
2 provided, however the Special Tax may be billed and collected at a different time or in a different manner
3 if necessary for CFD No. 05-8 to meet its financial obligations and if so billed and collected, a delinquent
4 penalty of 10% of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent
5 and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and
6 the first of each month thereafter until redeemed, and provided further that the Legislative Body may
7 modify the manner of collection, the penalties, and the procedure, sale and lien priority in case of
8 delinquency from time to time.

9 **Section 7.** As a cumulative remedy, if any amount levied pursuant hereto as a Special Tax
10 for payment of bond interest or principal, together with any penalties and other charges accruing under
11 this Ordinance are not paid when due, the Legislative Body may, not later than four years after the due
12 date of the last installment of principal, order that the same be collected by an action brought in the
13 superior court to foreclose any lien therefor.

14 **Section 8.** The Chairman of the Board of Supervisors shall sign and the Clerk shall attest
15 to the Chairman's signature and then cause the same to be published within fifteen (15) days after it is
16 passed at least once in The Press Enterprise, a newspaper of general circulation published and circulated
17 in the area of CFD No. 05-8.

18 **Section 9.** This Ordinance relating to the levy of the Special Tax pursuant to the Rate and
19 Method within CFD No. 05-8 shall take effect immediately upon its final passage in accordance with
20 provisions of Section 25123(c) of the Code, and specific authorization for adoption is pursuant to the
21 provisions of Section 53340 of the Code.

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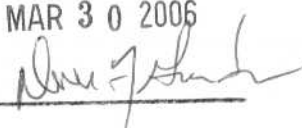
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ADOPTED, SIGNED AND APPROVED this ____ day of _____, 2006.

By: _____
Bob Buster,
Chairman of the Board of Supervisors of the County
of Riverside

ATTEST:
Nancy Romero, Clerk of the Board
of Supervisors, County of Riverside

By: _____
Deputy Clerk

FORM APPROVED
COUNTY COUNSEL
MAR 30 2006
BY 

ATTACHMENT A

Ballot Propositions for Community Facilities District No. 05-8 (Scott Road) County of Riverside, State of California

PROPOSITION A: Shall Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the "District"), be authorized to issue multiple series of bonds having a maximum aggregate principal amount of \$100,000,000 with each bond series having a maximum term not to exceed 35 years and an interest rate not to exceed the maximum rate permitted by law, for the purpose of financing the Facilities and incidental expenses described in Exhibit C to Resolution No. 2006-072 of the County and to fund a reserve fund and the costs of each bond series which is to be secured by special taxes levied on parcels of taxable property within the District, including properties which annex to the District at a future date?

PROPOSITION B: Shall Community Facilities District No. 05-8 (Scott Road) of the County of Riverside (the "District") be authorized to levy a special tax in accordance with the Rate and Method of Apportionment attached as Exhibit D to Resolution No. 2006-072 of the County (the "Resolution") to pay for the acquisition, installation and construction of the Facilities and the incidental expenses set forth in Exhibit C to the Resolution and for the payment of the principal of and interest on the bonds or refunding bonds issued by the District to finance said Facilities?

PROPOSITION C: For each fiscal year, commencing with Fiscal Year 2006-07, shall the appropriations limit as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution for Community Facilities District No. 05-8 (Scott Road) of the County of Riverside be the amount of \$16,000,000 per fiscal year?

EXHIBIT A

**RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAXES FOR COMMUNITY FACILITIES
DISTRICT NO. 05-8 (SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE**

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**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE**

A Special Tax (all capitalized terms are defined in Section A. Definitions below), shall be levied on each Parcel of Taxable Property located within the boundaries of Community Facilities District No. 05-8 (Scott Road) of the County. The amount of Special Tax to be levied each Fiscal Year, commencing in Fiscal Year 2006-2007, on a Parcel of Taxable Property shall be determined by the Legislative Body, by applying the appropriate Special Tax for each category of Taxable Property as calculated consistent with Sections B., C., and D. All of the real property within the CFD, unless exempted by law, Section E. or non-taxable pursuant to Section H.1. or H.2. shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Acre or Acreage” means the acreage of a Parcel as stated on the most recent Assessor’s Parcel Map, or if the acreage is not shown on such Assessor’s Parcel Map, the acreage as defined from the applicable Final Map, or similar instrument.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code.

“Administrative Expenses” means all actual or reasonably estimated costs and expenses of the CFD as determined by the Administrator to be chargeable or allocable to the CFD and as are allowed by the Act and the Indenture, which shall include without limitation, all costs and expenses arising out of or resulting from the annual levy and collection of the Special Tax, Special Tax appeals, initiating and prosecuting a foreclosure action on a Parcel; all trustee/fiscal agent expenses and fees; the cost of rebate compliance calculation, initiating or defending any litigation involving the CFD, continuing disclosure undertakings of the CFD and/or the County, all communications with bondholders, property owners, or other interested persons; and the costs of County staff, consultants, and legal counsel incurred on behalf of the CFD in performing such administrative responsibilities.

“Administrator” means the County Executive Officer of the County, or his or her designee.

“Annexed Property” means Taxable Property that has been annexed into the CFD by the Legislative Body upon determination by the Administrator that (i) the Assigned Special Tax from the Parcel(s) is necessary to provide financing of the full Cost of the Facilities, and (ii) the Parcel(s) are within the area designated as potential Annexed Property as shown on Exhibit B.

“Approved Property” means, for each Fiscal Year, for which a Special Tax is being levied, all Parcels of Taxable Property not classified as Taxable Non-Residential Property, Taxable Property Owners’ Association Property and Taxable Public Property: (i) that are included in a Final Map that was recorded prior to the January 1st preceding said Fiscal Year, and (ii) that have not been issued a Building Permit prior to the April 1st preceding said Fiscal Year. Any Final Map recorded prior to July 1st of 2006 shall be treated for the purposes of setting the Assigned Special Tax for such Approved Property as if it were subject to the TUMF in effect as of July 1st of 2006.

“Assessor’s Parcel Map” means, for each Fiscal Year, the official map(s) of the Assessor of the County designating each Parcel by an Assessor’s parcel number.

“Assigned Special Tax” means the Special Tax determined in accordance with Section C., below.

“Backup Special Tax” means the Special Tax determined in Sections C. 2. b. and C. 3. b., below.

“Bonds” means any bonds or other debt (as defined in the Act) issued by the CFD and secured by the levy of Special Taxes.

“Building Permit” means a building permit issued for new construction of any Single Family Residential Unit or Multifamily Residential Unit. For purposes of this definition, Building Permit refers to a permit allowing for construction of a production unit as opposed to a building permit issued in conjunction with a grading permit allowing for the construction of model units.

“CFD” means Community Facilities District No. 05-8 (Scott Road) of the County established pursuant to the Act.

“CFD Boundary Map” means the map recorded at CFD formation and annexation maps reflecting Annexed Property, Exhibit A.

“Cost of the Facilities” means the calculation of the cost of the Facilities to be constructed including financing costs, e.g. capitalized interest, funding a reserve fund, cost of issuance and underwriter’s discount, as determined by the Administrator.

“County” means the County of Riverside.

“Developed Property” means, for each Fiscal Year after formation of the CFD for which the Special Tax is being levied, each Parcel of Taxable Property not classified as Taxable Public Property, Taxable Property Owners’ Association Property and Taxable Non-Residential Property: (i) that is included in a Final Map that was recorded prior to January 1st preceding said Fiscal Year, and (ii) a Building Permit has been issued for a Single Family Residential Unit or a Multifamily Residential Unit on such Parcel prior to April 1st preceding said Fiscal Year. Parcels upon which a model unit has been constructed will be treated as Developed Property when any other Parcel within said Final Map is issued a Building Permit.

“Exempt Property” means, for each Fiscal Year, any Parcel which is exempt from Special Taxes pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“Existing Single Family Residential Unit” means any constructed Single Family Residential Unit that is located on a Parcel (i) at the time the CFD is established or (ii) at the time a Parcel is annexed into the CFD.

“Facilities” means, the improvements, within the boundaries of Exhibit B, whose construction or acquisition is identified in the TUMF Program, including but not limited to: (i) the widening of Scott Road to four lanes between Antelope Road and Briggs Road including all associated appurtenances and any rights-of-way required from properties that have not been conditioned to dedicate such rights-of-way as a condition of development; (ii) the widening of the interchange at Interstate 215 and Scott Road and the modification of the ramps to meet future traffic demands including all associated appurtenances and any rights-of-way required from properties that have not been conditioned to dedicate such rights-of-way as a condition of development; (iii) the full width improvement to Scott Road from Antelope Road to State Route 79 including all associated appurtenances and any rights-of-way required from properties that have not been conditioned to dedicate such rights-of-way

as a condition of development bringing into conformance said facility with the TUMF Program, as amended from time to time.

“Final Map” means a recorded final map, parcel map, or lot line adjustment, by which a subdivision of property has been made pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or a recorded condominium plan approved pursuant to California Civil Code Section 1352 that creates Parcels for which building permits may be issued without further subdivision.

“Fiscal Year” means the period starting on July 1 of any calendar year and ending on June 30 of the following calendar year, commencing July 1, 2006.

“July 1st” means the effective date in July of any adjustment to TUMF made pursuant to the TUMF Ordinance; provided that if no adjustment takes effect by July 25, “July 1st” means the first Business Day of July.

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

“Land Use Category” means any of the land use categories listed in Table 1, below.

“Legislative Body” means the Board of Supervisors of the County acting *ex officio* as the Legislative Body of the CFD.

“Maximum Special Tax” means, for each Fiscal Year, the maximum Special Tax, determined in accordance with Section C., which can be levied in such Fiscal Year on any Parcel.

“Multifamily Property” means, for each Fiscal Year, a Parcel designated to be developed with one or more Multifamily Residential Units as determined by the Administrator consistent with the TUMF Ordinance in effect on the date such determination is made; provided, however, that once a Parcel is categorized as Approved Property with a Land Use Category as Multifamily Property, said Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition of Multifamily Residential Unit.

"Multifamily Residential Unit" has the meaning set forth in the TUMF Ordinance; provided that once a Parcel of Multifamily Property is categorized as Approved Property such Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition.

"Multiple Land Use Property" means, for each Fiscal Year, any Developed Property assigned to more than one Land Use Category (e.g. one structure containing both Non-Residential Property uses and Residential Property uses).

"Non-Residential Floor Area" means, with regard to Multiple Land Use Property only, all of the square footage within the perimeter of all structures on a Parcel used for non-residential purposes, measured from outside wall to outside wall, exclusive of any overhangs, porches, patios, enclosed patios, car ports, walkways, garages or similar spaces attached to the building. The determination of the amount of Non-Residential Floor Area shall be made by the Administrator with reference to the building permit(s) issued for said Parcel, or if these are not available, as otherwise determined by the Administrator. Once such determination has been made for a Parcel, it shall remain fixed in all future Fiscal Years. Non-Residential Floor Area is to be treated as Non-Residential Property.

"Non-Residential Property" means, for each Fiscal Year, all Parcels for which a building permit may be issued for any type of non-residential use, provided, however, that if zoning allows either residential construction or non-residential construction, such property shall be categorized as Residential Property until such time as a building permit for non-residential use has been issued.

"Outstanding Bonds" means all Bonds deemed to be outstanding under the Indenture.

"Parcel" means, for each Fiscal Year, each lot or parcel within the boundary of the CFD as shown on an Assessor's Parcel Map to which a parcel number has been assigned.

"Property Owners' Association Property" means, for each Fiscal Year, any Parcel which, as of the January 1 preceding said Fiscal Year, is owned by a property owners' association, including any master or sub-association.

"Proportionately" means for: (i) Developed Property, that the ratio of the actual Special Tax levy to the Assigned or Backup Special Tax, as applicable, is the same for all Parcels of Developed Property, (ii) Approved Property, that the ratio of the actual Special Tax levy to the Assigned or Backup Special Tax, as applicable, is the same for all Parcels of Approved

Property, (iii) Undeveloped Property, that the ratio of the actual Special Tax levy per taxable Acre to the Assigned or Maximum Special Tax per taxable Acre is the same for all Parcels of Undeveloped Property, (iv) Taxable Non-Residential Property, that the ratio of the actual Special Tax levy per taxable Acre to the Maximum Special Tax per taxable Acre is the same for all Parcels of Taxable Non-Residential Property, (v) Taxable Property Owners' Association Property, that the ratio of the actual Special Tax levy per taxable Acre to the Maximum Special Tax per taxable Acre is the same for all Parcels of Taxable Property Owners' Association Property, and (vi) Taxable Public Property, that the ratio of the actual Special Tax levy per taxable Acre to the Maximum Special Tax per taxable Acre is the same for all Parcels of Taxable Public Property.

“Public Property” means, for each Fiscal Year, any Parcel within the boundary of the CFD which, as of the January 1 preceding said Fiscal Year, is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County, or any other public agency, provided, however, that any Parcel leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

“Residential Floor Area” means, with regard to Multiple Land Use Property only, all of the square footage within the perimeter of all structures on a Parcel used for residential purposes, measured from outside wall to outside wall, exclusive of any overhangs, porches, patios, enclosed patios, car ports, walkways, garages or similar spaces attached to the building. The determination of the amount of Residential Floor Area shall be made by the Administrator with reference to the building permit(s) issued for said Parcel, or if these are not available, as otherwise determined by the Administrator. Once such determination has been made for a Parcel, it shall remain fixed in all future Fiscal Years. Residential Floor Area shall be treated as Residential Property.

“Residential Property” means, for each Fiscal Year, Developed Property and Approved Property for which a Building Permit for residential units may be issued, as determined by the Administrator.

“Single Family Property” means, for each Fiscal Year, a Parcel designated to be developed with one or more Single Family Residential Units as determined by the Administrator; provided, however, that once a Parcel is categorized as Approved Property, said Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition of Single Family Residential Unit.

“Single Family Residential Unit” has the meaning set forth in the TUMF Ordinance; provided that once a Parcel of Single Family Property is categorized as Approved Property such Parcel will not change Land Use Category should an amendment to the TUMF Ordinance alter the definition.

“Special Tax” means, (i) prior to the issuance of any Bonds, the special tax to be levied in any Fiscal Year on each Parcel of Developed Property to be applied towards the Cost of Facilities, and, (ii) subsequent to the issuance of the first series of Bonds, the special tax to be levied in any Fiscal Year on each Parcel of Taxable Property to provide funding for the Special Tax Requirement.

“Special Tax Factor” means the factor stated in column (4) of Table 1 that is to be applied to establish the Assigned Special Tax for Single Family Property and Multifamily Property which is Developed Property or Approved Property.

“Special Tax Requirement” means, for each Fiscal Year, that amount required in each Fiscal Year to pay: (i) annual debt service on all Outstanding Bonds due in the calendar year which commences in such Fiscal Year; (ii) periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) Administrative Expenses; (iv) an amount equal to any shortfall due to Special Tax delinquencies experienced in the prior Fiscal Year; (v) for acquisition or construction of Facilities provided such amount does not cause an increase in the Special Tax levy on Approved Property, Undeveloped Property, Taxable Property Owners’ Association Property, Taxable Public Property or Taxable Non-Residential Property; and (vi) any amounts required to establish or replenish any reserve funds for the Bonds; less (vii) a credit for funds available to reduce the annual Special Tax levy as determined pursuant to the Indenture.

“Taxable Non-Residential Property” means, for each Fiscal Year, any Parcel of Non-Residential Property which is not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“Taxable Property” means, for each Fiscal Year, all Parcels in the CFD which are not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“Taxable Property Owners’ Association Property” means, for each Fiscal Year, any Parcel of Property Owners’ Association Property which is not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“Taxable Public Property” means, for each Fiscal Year, any Parcel of Public Property which is not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

“TUMF” means the fee authorized pursuant to the TUMF Ordinance.

“TUMF Ordinance” means Ordinance 824.1 of the County of Riverside as amended from time to time.

“TUMF Percentage Change” means, the percentage increase in the respective TUMF applicable to a Single Family Residential Unit or a Multifamily Residential Unit, as of July 1st of the prior calendar year to July 1st of the current calendar year, beginning with the increase from the respective TUMF in effect as of July 1st of 2005 to the TUMF in effect as of July 1st of 2006.

“TUMF Program” means the Western Riverside County Transportation Uniform Mitigation Fee Program as established by the TUMF Ordinance.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property including residentially zoned property which has not become Approved Property or Developed Property, excluding Taxable Public Property, Taxable Property Owners’ Association Property and Taxable Non-Residential Property which has not become Approved Property or Developed Property and which is not Exempt Property pursuant to Section E or non-taxable pursuant to Section H.1. or H.2., below.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year in which the Special Tax is levied, each Parcel of Taxable Property shall be categorized as either Undeveloped Property, Approved Property, Developed Property, Taxable Public Property, Taxable Property Owners’ Association Property or Taxable Non-Residential Property, and shall be subject to the levy of Special Tax in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C., and D., below. Approved Property and Developed Property shall further be classified as Single Family

Property or Multifamily Property.

Any Existing Single Family Residential Unit shall be subject to the levy of the Special Tax as Undeveloped Property. Once a Final Map is recorded that includes the Parcel on which the Existing Single Family Residential Unit is constructed, then: (i) if said Final Map creates a Parcel for the Existing Single Family Residential Unit while such Existing Single Family Residential Unit remains on said Parcel, then said Parcel shall not be subject to the levy of the Special Tax, and the Taxable Property within the boundaries of said Final Map will be treated as Approved Property, or (ii) if said Final Map indicates that the Existing Single Family Residential Unit has been demolished and one or more Parcels have been created over the site on which the Existing Single Family Residential Unit stood, the resulting Parcel(s) and the Taxable Property within the boundaries of said Final Map are to be classified as Approved Property or Developed Property, as applicable.

When Parcels are annexed into the CFD, the Legislative Body shall adopt annexation maps to reflect the inclusion of the Annexed Property.

C. ASSIGNED AND MAXIMUM SPECIAL TAX RATES

1. Undeveloped Property, Taxable Non-Residential Property, Taxable Property Owners' Association Property and Taxable Public Property.

Maximum Special Tax

As of July 1st of 2005 the Maximum Special Tax for each Parcel of Undeveloped Property, Taxable Non-Residential Property, Taxable Property Owners' Association Property and Taxable Public Property is the amount per Acre stated in column (5) of Table 1 times the Acreage of the Parcel.

On July 1st of each Fiscal Year commencing July 1st of 2006, the Maximum Special Tax per Acre for Undeveloped Property, Taxable Non-Residential Property, Taxable Property Owners' Association Property and Taxable Public Property shall increase by the greater of 2.00% or the TUMF Percentage Change for a Single Family Residential Unit for the period beginning on July 1st of the prior calendar year to the next succeeding July 1st on which date the calculation is being made.

2. **Approved Property**

a. Assigned Special Tax

Upon determination that a Parcel of Taxable Property is Approved Property, (i) the Assigned Special Tax for each Parcel to be developed as Single Family Property, as shown on the Final Map, shall be the product of the TUMF for a Single Family Residential Unit in effect on the July 1st preceding the recordation date of the Final Map multiplied by the Special Tax Factor, and (ii) the Assigned Special Tax for each Parcel that is to be developed as Multifamily Property shall be the product of the TUMF for a Multifamily Residential Unit in effect on the July 1st preceding the recordation date of the Final Map multiplied by the number of proposed dwelling units as shown on the Final Map or as determined by the Administrator, multiplied by the Special Tax Factor.

For any Parcel that becomes Approved Property prior to July 1st of 2006, the TUMF in effect on July 1st of 2006 for shall be applied.

On July 1st of each Fiscal Year commencing July 1st of 2007, the Assigned Special Tax for any Parcel of Approved Property that was classified as such in the prior Fiscal Year shall increase by an amount equal to 2.00% of the Assigned Special Tax in effect for said Parcel for the prior Fiscal Year.

b. Maximum Special Tax

The Maximum Special Tax for each Parcel of Single Family Property and Multifamily Property that is Approved Property shall be the greater of: (i) the applicable Assigned Special Tax as determined by Section C.2. a. or (ii) the amount derived by application of the Backup Special Tax.

Backup Special Tax

Upon determination that a Parcel of Taxable Property is Approved Property, the Backup Special Tax for each Parcel of Single Family Property and Multifamily Property that is Approved Property shall be established as the Assigned Special Tax for such Parcel at the time such Taxable Property becomes Approved Property. On July 1st of each Fiscal Year commencing July 1st of 2007, the Backup Special Tax for any Parcel of Approved Property that was classified as such in the prior Fiscal

Year shall increase by an amount equal to 2.00% of the Backup Special Tax in effect the prior Fiscal Year.

Notwithstanding the foregoing, (i) if the number of Parcels of Single Family Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax will be recalculated for the Parcels of Single Family Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each Parcel of Single Family Property within such changed area shall equal the aggregate Backup Special Tax within the changed area prior to the change or modification in such Final Map divided by the number of Parcels of Single Family Property within such area and (ii) if the number of Parcels of Multifamily Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax will be recalculated for the Parcels of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each Parcel of Multifamily Property within such changed area shall equal the aggregate Backup Special Tax within the changed area prior to the change or modification in the Final Map divided by the revised number of Parcels of Multifamily Property within such area.

3. Developed Property

a. Assigned Special Tax

Upon determination that any Parcel within a Final Map of Taxable Property is Developed Property, (i) the Assigned Special Tax as Developed Property for each Parcel within the Final Map to be developed as Single Family Property, as shown on the Final Map, shall be established as the greater of (a) product of the TUMF for a Single Family Residential Unit in effect on the July 1st preceding the date the first Building Permit is issued for a Parcel of Single Family Property within that Final Map multiplied by the Special Tax Factor or (b) the Assigned Special Tax in effect for such Parcels as Approved Property increased by 2.00% per Fiscal Year since the Parcel became Approved Property, and (ii) the Assigned Special Tax as Developed Property for each Parcel within the Final Map to be developed as Multifamily Property, as determined by the Administrator, shall be established as the greater (a) the product of the TUMF for a Multifamily Residential Unit in effect on the July 1st preceding the date the first Building Permit is issued for a Parcel of Multifamily Property within that Final Map multiplied by the number of dwelling units in the Building Permit for said Parcel, as determined by the Administrator, multiplied by

the Special Tax Factor or (b) the Assigned Special Tax in effect for such Parcel as Approved Property increased by 2.00% per Fiscal Year since the Parcel became Approved Property.

The Special Tax established for Developed Property within a Final Map shall be applied to an individual Parcel within said Final Map only after a Building Permit has been issued for such Parcel.

For any Parcel that becomes Developed Property prior to July 1st of 2006, the TUMF effective on July 1st of 2006 shall be applied.

On July 1st of each Fiscal Year commencing July 1st of 2007, after a Parcel is determined to be Developed Property, the Assigned Special Tax for a Parcel of Developed Property shall increase by an amount equal to 2.00% of the Assigned Special Tax as Developed Property in effect for such Parcel of Developed Property as of July 1st of the prior Fiscal Year.

b. Maximum Special Tax

The Maximum Special Tax for each Parcel of Single Family Property and Multifamily Property that is Developed Property shall be the greater of: (i) the applicable Assigned Special Tax as determined by Section 3.a. above, or (ii) the amount derived by application of the Backup Special Tax.

Backup Special Tax

Upon determination that any Parcel of Taxable Property within a Final Map is Developed Property, the Backup Special Tax for each Parcel of Single Family Property and Multifamily Property within such Final Map shall be established as the Assigned Special Tax for such Parcel at the time such Parcel's Developed Property Assigned Special Tax rate is established. On July 1st of each Fiscal Year commencing July 1st of 2007, the Developed Property Backup Special Tax for any Parcel within such Final Map shall increase by an amount equal to 2.00% of the Backup Special Tax in effect for such Final Map the prior Fiscal Year.

Notwithstanding the foregoing, (i) if the number of Parcels of Single Family Property in a specific Final Map whose Assigned Special Tax as Developed Property has been established is subsequently changed or modified, then the Backup Special Tax will be recalculated for the Parcels of Single Family Property within the changed or modified area of said Final Map

such that the modified Backup Special Tax for each Parcel of Single Family Property within such changed area shall equal the aggregate Backup Special Tax within the changed area prior to the change or modification in such Final Map divided by the number of Parcels of Single Family Property within such area and (ii) if the number of Parcels of Multifamily Property in a specific Final Map whose Assigned Special Tax as Developed Property has been established is subsequently changed or modified, then the Backup Special Tax will be recalculated for the Parcels of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each Parcel of Multifamily Property within such changed area shall equal the aggregate Backup Special Tax within the changed area prior to the change or modification in the Final Map divided by the revised number of Parcels of Multifamily Property within such area.

4. Multiple Land Use Property

In some instances a Parcel of Developed Property may be assigned to more than one Land Use Category. The Assigned Special Tax levied on the Residential portion of such a Parcel shall be the sum of the Assigned Special Tax levies for Residential Land Use Category on that Parcel. The Maximum Special Tax levied on the Residential portion of a Parcel shall be the Maximum Special Tax levy that can be imposed on the Residential Land Use Category on that Parcel. The Taxable Non-Residential portion of such parcel shall be subject to the Special Tax in Accordance with the Fifth step of Section D, below.

For purposes of calculating the Backup Special Tax for the Residential Land Use Category of Developed Property under such circumstances, the Acreage assigned to the Residential Land Use Category shall be based on the proportion of Residential Floor Area or Non-Residential Floor Area that is built for each Land Use Category as compared with the Total Floor Area built on the Parcel. The Administrator shall determine all allocations made under this section, and all such allocations shall be final.

TABLE 1
Special Taxes
For Fiscal Year 2005-2006

(1) Land Use Category	(2) Taxable Parcel/Acre	(3) Current TUMF as of July 1 st , 2005	(4) Special Tax Factor	(5) Assigned Special Tax Per Parcel/Unit/Acre
1 – Developed Single Family Property	Parcel	\$7,248	11.3%	\$819.02
2. – Approved Single Family Property	Parcel	\$7,248	11.3%	\$819.02
3 – Developed Multifamily Property	Unit	\$5,021	11.3%	\$567.37
4. – Approved Multifamily Property	Unit	\$5,021	11.3%	\$567.37
5 – Undeveloped Property	Acre	N/A	N/A	\$2,018.94
6 – Taxable Public Property, Taxable Property Owners' Association Property and Taxable Non-Residential Property	Acre	N/A	N/A	\$2,018.94

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2006-2007 and for each following Fiscal Year, the Legislative Body shall levy the Special Tax on all Taxable Property in accordance with the following steps:

First: Prior to the issuance of any series of Bonds, the Special Tax shall be levied on each Parcel of Developed Property for which a Building Permit has been issued at 100% of the applicable Assigned Special Tax to be applied to the Cost of the Facilities; subsequent to the issue of the first series of Bonds, the Special Tax shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

Second: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Parcel of Approved Property at up to 100% of the applicable Assigned Special Tax, as needed to satisfy the Special Tax Requirement;

Third: If additional moneys are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement;

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement after the first three steps have been completed, the Special Tax levied on each Parcel of Approved Property and Developed Property shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Parcel as needed to satisfy the Special Tax Requirement;

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Non-Residential Property up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement;

Sixth: If additional moneys are needed to satisfy the Special Tax Requirement after the first five steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Property Owners' Association Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement;

Seventh: If additional moneys are needed to satisfy the Special Tax Requirement after the first six steps have been completed, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.

Notwithstanding the above, under no circumstances shall the Special Taxes levied against any Parcel of Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default by the owner of any other Parcel within the CFD.

E. EXEMPTIONS

Land conveyed or irrevocably offered for dedication to a public agency after formation of the CFD and not otherwise exempt pursuant to this Section E, shall be subject to the levy of Special Tax pursuant to Section 53317.3 or 53317.5 of the Act.

The Special Tax shall not be imposed upon any of the following:

The Legislative Body shall not levy Special Taxes on up to 569 Acres of Public Property, Property Owners' Association Property or Non-Residential Property within the CFD which include, but are not limited to, public streets, water and sewer facilities, flood control drainage channels, public schools or property dedicated and restricted for the use as open space, park, habitat reserve, golf course clubhouse or recreational facilities, non-residential development, or utility property utilized for the provision of services to the public or a property encumbered with public or utility easements making impractical its utilization for other than the purpose set forth in the easement.

After the limit of Acres above has been reached, the Administrator will review additional requests for Exempt Property to verify that Special Taxes that could be levied on Taxable Property in each Fiscal Year, assuming such exemption were approved and assuming the current status of development and the expected development plan for all Parcels within the CFD for which an approved tentative tract map has been issued, are at least 110% of the annual debt service requirements for each Fiscal Year through maturity of the Outstanding Bonds plus estimated annual Administrative Expenses, and if all Bonds of the CFD have not been issued, an amount that takes into account Bonds to be issued for the full Cost of the Facilities. If Special Taxes will not provide at least 110% of the debt service requirements through maturity of the Outstanding Bonds plus estimated annual Administrative Expenses, plus, if all Bonds of the CFD have not been issued, an amount such that taking into account Bonds to be issued for the full Cost of the Facilities, the Special Tax obligation for any additional Public Property and/or Property Owners' Association Property and/or Non-residential Property may prepay pursuant to the provision within Section H., below. Until the Special Tax obligation is prepaid as provided for in the preceding sentence, the parcel will be categorized as Taxable Non-Residential Property, Taxable Property Owners' Association Property and/or Taxable Public Property and will be subject to the levy of the Special Tax as provided for in the Fifth step, the Sixth step and the Seventh step of Section D. above.

For Annexed Property, increases to the stated amount of Exempt Property Acres as stated in the third paragraph of this Section E. will be increased as determined appropriate by the Administrator.

F. MANNER OF COLLECTION, PENALTIES, PROCEDURE AND LIEN PRIORITY

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the CFD may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1st after the delinquency date and the first of each month thereafter until redeemed.

G. APPEALS

Any owner of a Parcel claiming that the amount of the Special Tax levied on such Parcel is not correct and/or requesting a refund may file a written notice of appeal with the Administrator once the Special Tax in dispute has been paid but, not later than 12 months after the mailing of the property tax bill on which the Special Tax appears. The Administrator 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, convene the CFD Special Tax Review Board and decide the appeal. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

H. PREPAYMENT OF SPECIAL TAX

The Maximum Special Tax obligation may only be prepaid and permanently satisfied by a Parcel of Developed Property or Public Property, Property Owners' Association Property and/or Non-residential Property that is not Exempt Property pursuant to Section E. The Maximum Special Tax obligation applicable to such Parcel may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment.

No Special Tax prepayment in full or prepayment in part shall be allowed unless the amount of Maximum Special Taxes, based on the categorization and classification hereunder of all Parcels on the date of the calculation, that may be levied on Taxable Property in each Fiscal Year commencing with the Fiscal Year of the proposed prepayment is at least equal to the sum of (a) 1.1 times the debt service on the Outstanding Bonds due in the calendar year which commences in such Fiscal Year (assuming a full year's debt service); plus (b) the Administrative Expenses for such Fiscal Year.

An owner of a Parcel intending to prepay the Maximum Special Tax obligation for the Parcel shall provide the Administrator with written notice of intent to prepay, and within 15 business days of receipt of such notice, the Administrator shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by the CFD in calculating the Prepayment Amount (as defined below) for the Parcel. Within 15 business days of receipt of such non-refundable deposit, the Administrator shall notify such owner of the Prepayment Amount for the Parcel. Prepayment must be made not less than 60 business days prior to any redemption date, unless authorized by the Administrator, for any Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

1. Prepayment in Full – Before the Administrator has determined that the full Cost of the Facilities has been provided for

The prepayment before the Full Cost of the Facilities has been provided for shall equal the present value of the remaining payments of the Special Tax (computed assuming that the Maximum Special Tax will be paid through Fiscal Year 2049-2050, starting from December 10th of the Fiscal Year of the prepayment and annually on such date thereafter and using a discount rate equal to 7.00% per year), and *provided* that the foregoing Prepayment Amount shall be increased if the Administrator determines that such increase is necessary so that the total Prepayment amount will be at least equal to the Parcel's TUMF obligation and estimated Administrative Expenses. The CFD shall not be obligated to redeem Bonds, but may apply the Prepayment Amount and Bond Redemption Amount towards the Costs of the Facilities.

With respect to any Parcel for which the Special Tax obligation is prepaid, the Legislative Body shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien for the Parcel, and the obligation of the Parcel to pay the Special Tax shall cease.

2. Prepayment in Full – After the Administrator has determined that the full Cost of the Facilities has been provided for

The Prepayment Amount (defined below) after the Full Cost of the Facilities has been provided for shall equal the sum of the amount as identified below (capitalized terms as defined below):

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

The Prepayment Amount shall be determined as of the proposed prepayment date as follows:

1. Confirm that no Special Tax delinquencies apply to such Parcel.
2. For Parcels of Developed Property, compute the Maximum Special Tax obligation for the current Fiscal Year for the Parcel. For Parcels of Public Property, Property Owners' Association Property and/or Non-residential Property to be prepaid, compute the Maximum Special Tax obligation for the current Fiscal Year for the Parcel.
3. Divide the Maximum Special Tax obligation derived pursuant to paragraph 2 by the total calculated Maximum Special Taxes for the current Fiscal Year for the entire CFD.
4. Multiply the quotient derived pursuant to paragraph 3 by the principal amount of the Outstanding Bonds to determine the amount of Outstanding Bonds to be redeemed with the Prepayment Amount (the "*Bond Redemption Amount*").
5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "*Redemption Premium*").
6. Determine the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year

until the earliest redemption date for the Outstanding Bonds on which Bonds can be redeemed from Special Tax prepayments.

7. Determine the Special Taxes levied on the Parcel in the current Fiscal Year which have not yet been paid.
8. Compute the amount the Administrator reasonably expects to derive from the investment of the Bond Redemption Amount from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the Prepayment Amount.
9. Add the amounts derived pursuant to paragraphs 6 and 7 and subtract the amount derived pursuant to paragraph 8 (the "*Defeasance Amount*").
10. Verify the administrative fees and expenses, including the costs of computation of the Prepayment Amount, the costs to invest the Prepayment Amount, the costs of redeeming the Outstanding Bonds, and the costs of recording notices to evidence the prepayment of the Maximum Special Tax obligation for the Parcel and the redemption of Outstanding Bonds (the "*Administrative Fees and Expenses*").
11. The reserve fund credit (the "*Reserve Fund Credit*") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
12. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance Amount and the Administrative Fees and Expenses, less the Reserve Fund Credit (the "*Prepayment Amount*").
13. From the Prepayment Amount, the Bond Redemption Amount, the Redemption Premium, and the Defeasance Amount shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding Bonds, make debt service payments, or be applied towards the Costs of the Facilities. The Administrative Fees and Expenses shall be retained by the CFD.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such event, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next redemption from other Maximum Special Tax obligation prepayments of Outstanding Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 7 (above), the Administrator shall remove the current Fiscal Year's Special Tax levy for the prepaying Parcel from the County tax rolls. With respect to any Parcel for which the Special Tax obligation is prepaid, the Legislative Body shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien for the Parcel, and the obligation of the Parcel to pay the Special Tax shall cease.

3. Prepayment in Part – After the Administrator has determined that the full Cost of the Facilities has been provided for

The Maximum Special Tax on a Parcel of Developed Property may be partially prepaid in increments of \$5,000, only after the Administrator has determined that the full Cost of the Facilities has been provided for. For purposes of determining the partial prepayment amount, the provision of Section H.2 shall be modified as provided by the following formula:

$$PP = ((P_E - A) \times F) + A$$

These terms have the following meaning:

PP = the partial prepayment

P_E = the Prepayment Amount calculated according to Section H.2

F = the percent by which the owner of the Parcel(s) is partially prepaying the Maximum Special Tax obligation.

A = the Administrative Fees and Expenses determined pursuant to Section H.2

With respect to any Parcel for which the Maximum Special Tax obligation is partially prepaid, the Administrator shall (i) distribute the Partial Prepayment as provided in Paragraph 13 of Section H.2, and (ii) indicate in the records of the CFD that there has

been a Partial Prepayment for the Parcel and that a portion of the Maximum Special Tax obligation equal to the remaining percentage (1.00 - F) of the Maximum Special Tax obligation will, and the Special Tax shall continue on the Parcel pursuant to Section D.

I. TERM OF THE SPECIAL TAX

Special Taxes shall be levied for the period necessary to satisfy the Special Tax Requirement, but in no event shall Special Taxes be levied after Fiscal Year 2049-2050 or the latest scheduled maturity of the final series of Bonds, whichever is sooner.

EXHIBIT A

BOUNDARY MAP

**COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)**

5/10
SHEET 1 OF 11 SHEETS

BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE RIVERSIDE COUNTY BOARD OF SUPERVISORS AT A REGULAR MEETING THEREOF, HELD ON THE 23RD DAY OF February, 2006, BY ITS RESOLUTION NO. 10060-072.

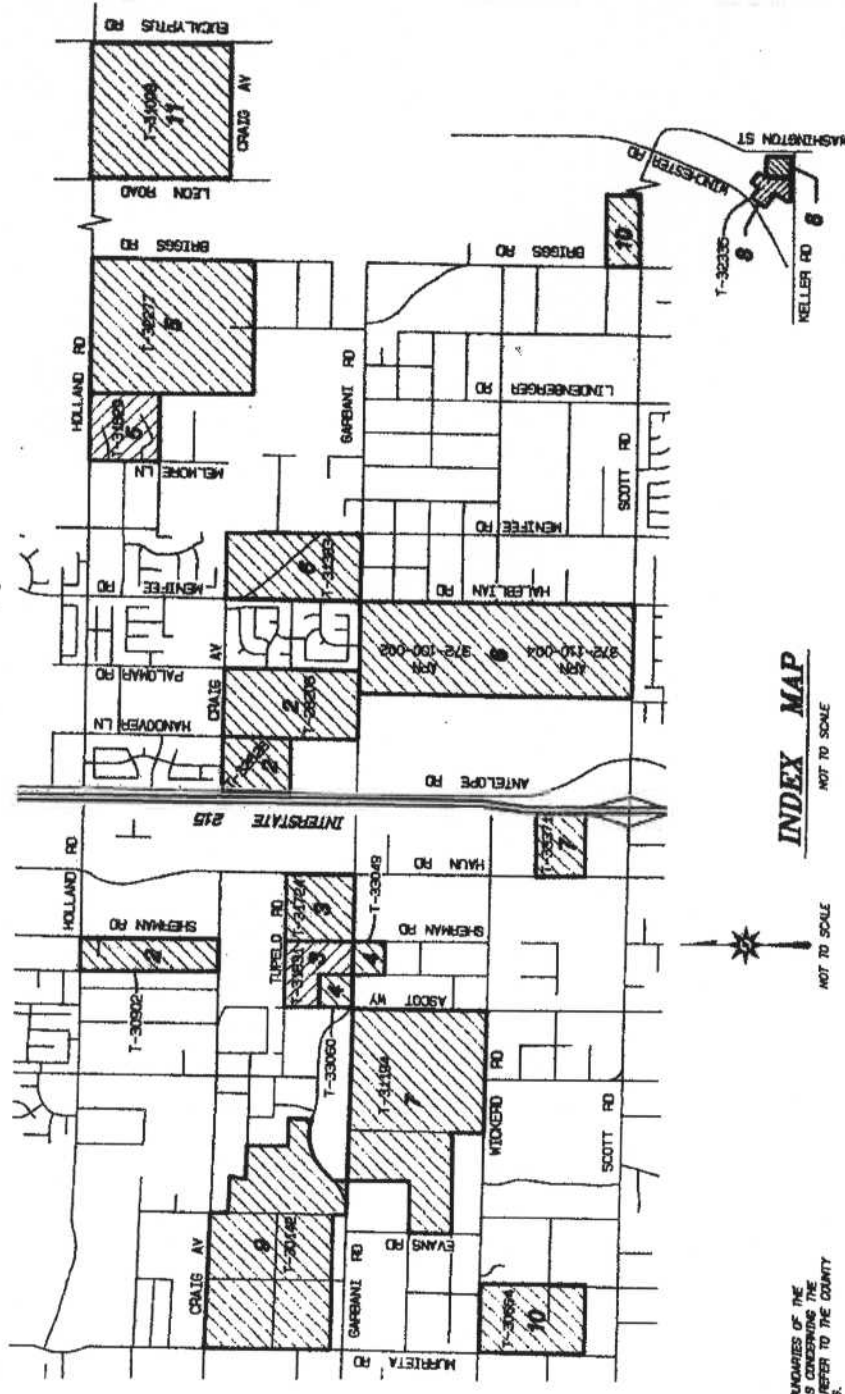
[Signature]
CLERK OF THE BOARD OF SUPERVISORS

FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THIS 23RD DAY OF February, 2006.

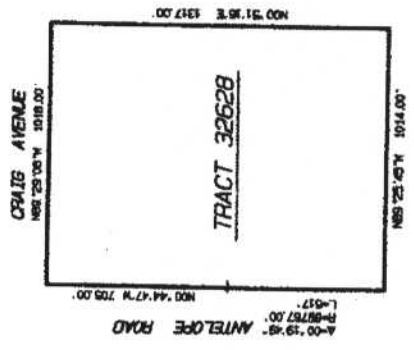
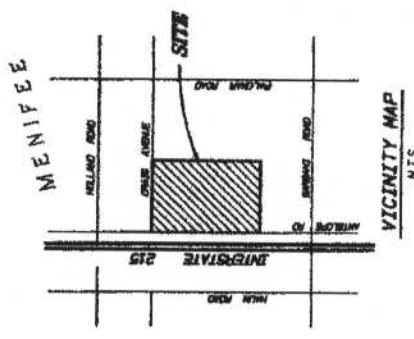
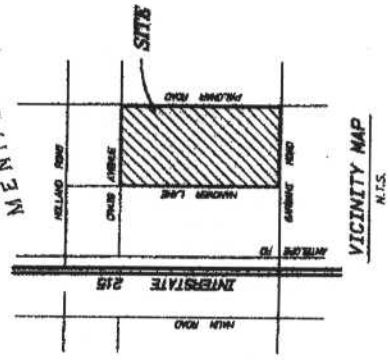
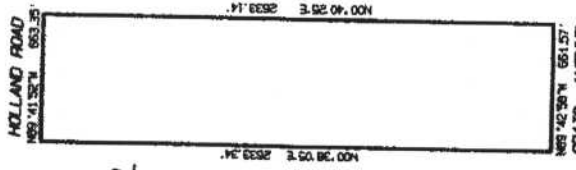
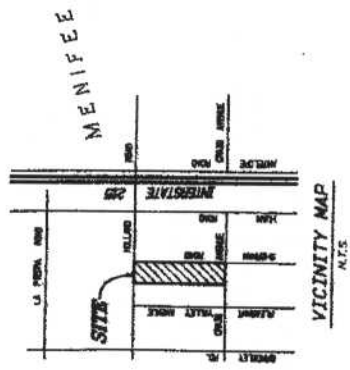
[Signature]
CLERK OF THE BOARD OF SUPERVISORS

RECORDED THIS 27TH DAY OF MARCH, 2006 AT THE OFFICE OF A. O'LOUGH LIN. BY BOOK 44, PAGE 112 OF RECORDS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.
FEE: 27.00 NO. 06M-067593
LARRY N. WARE, RIVERSIDE COUNTY ASSESSOR-CLERK-RECORDER

[Signature]
DEPUTY



BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



NOT TO SCALE
 M.D. 01-0384

ALBERT A. WEBB
 ASSOCIATES
 PROFESSIONAL ENGINEER

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS OF THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2005-2006.

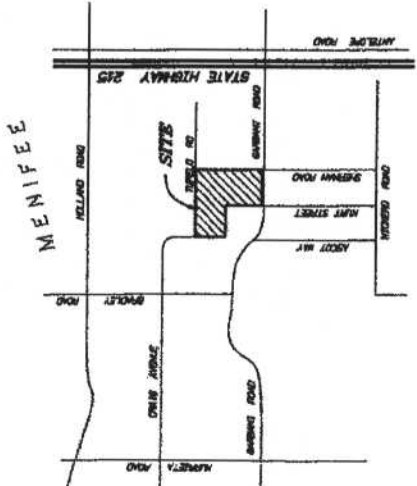
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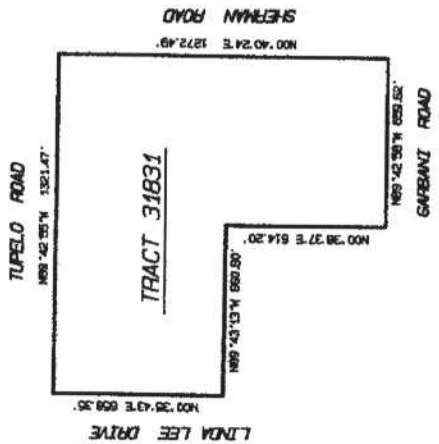
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SHEET 3 OF 11 SHEETS

BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



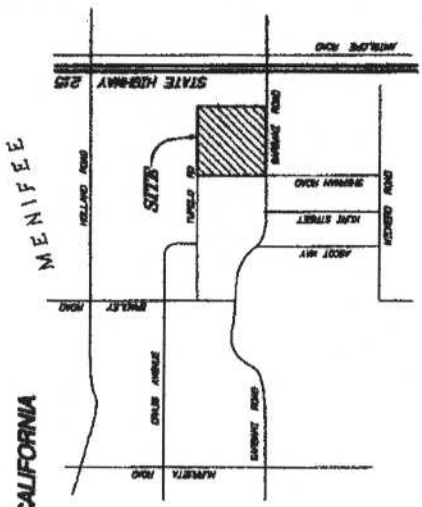
VICINITY MAP
 N.T.S.



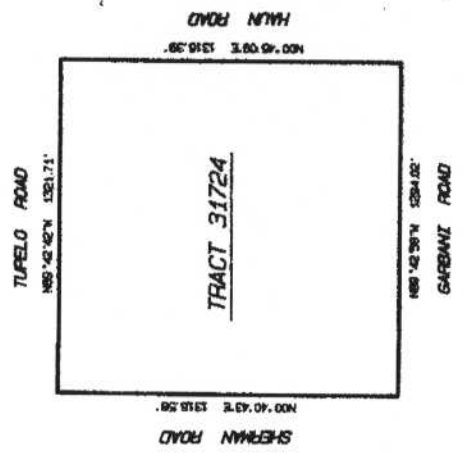
NOT TO SCALE

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2000-2006.

ALBERTA
WEBB
 U.S. & C. L.A.T.E.S.
 REALTY CONSULTANTS



VICINITY MAP
 N.T.S.

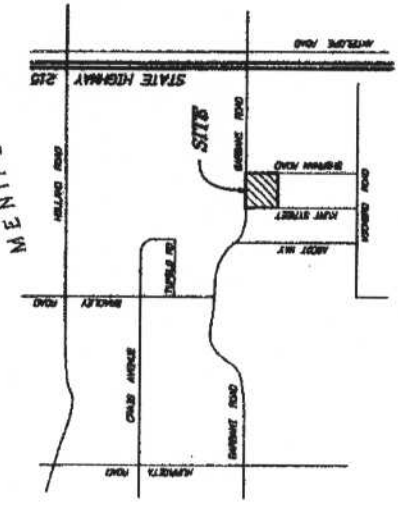


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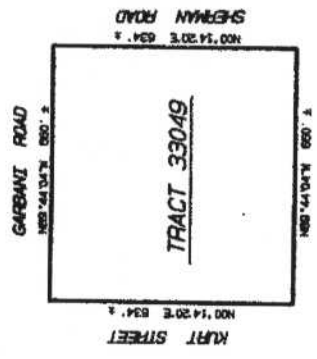
M.D. 01-0384

BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

MENIFEE



VICINITY MAP
N.T.S.



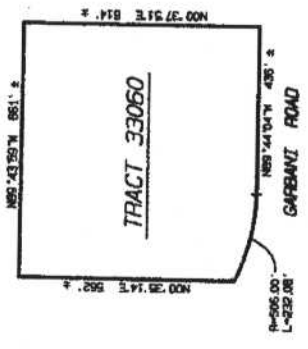
NOT TO SCALE

M.D. 01-0384

MENIFEE



VICINITY MAP
N.T.S.



NOT TO SCALE

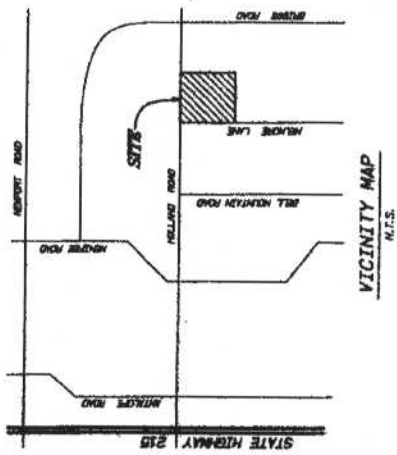
THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT, PARCELS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2008-2009.



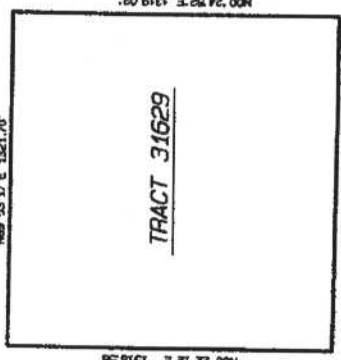
COPY 15/104
SHEET 5 OF 11 SHEETS

BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

MENIFEE



HOLLAND ROAD
N89°53'17"E 1321.70'

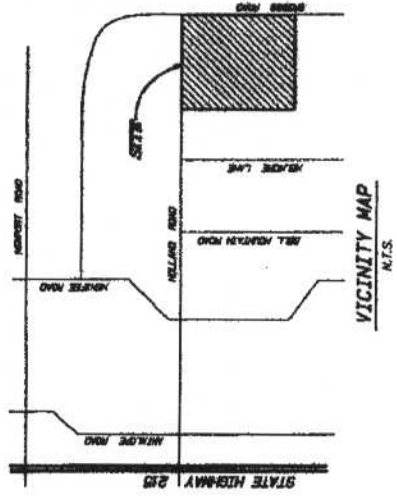


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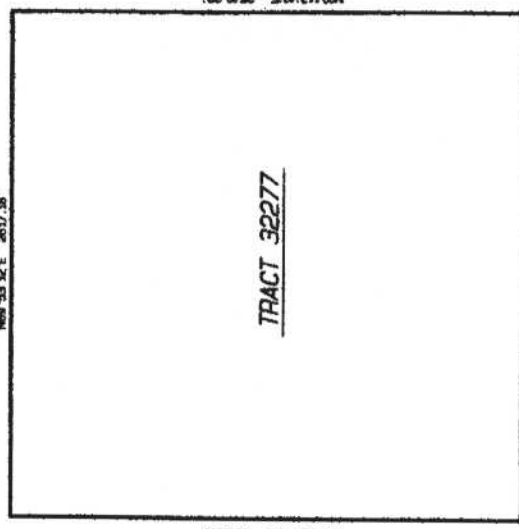
ALBERT A. WEBB
ASSOCIATES
REGISTERED PROFESSIONAL ENGINEERS

THIS BOUNDARY AND CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT, FOR ROLLBACK PURPOSES. THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2005-2006.

MENIFEE



HOLLAND ROAD
N89°53'12"E 2617.85'



NOT TO SCALE

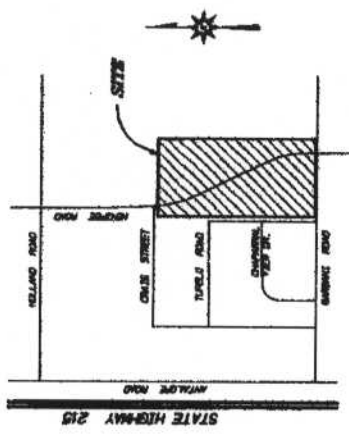
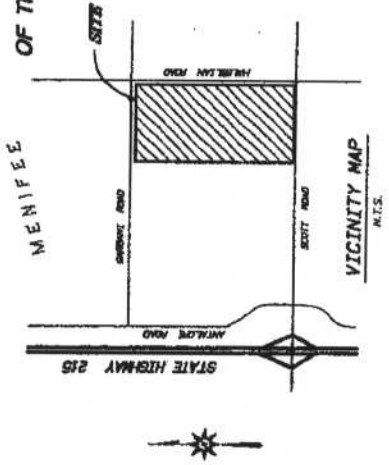
M.D. 01-0384

COPIES 5/13

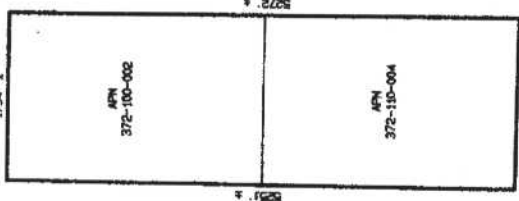
SHEET 6 OF 11 SHEETS

**BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)**

OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



GARBANI ROAD
1754' ±



SCOTT ROAD
1789' ±



THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS CONCERNING THE LINES AND CORNERS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2000-2006.

ALBERT A. WEBB
K.S.S. & C. ASSOCIATES
BOUNDARY SURVEYORS

CRAIG AVENUE
N68°28'25"W 1324.75'



HALBERLAN ROAD
N01°00'28"E 2636.26'
N01°07'51"E 2637.29'

GARBANI ROAD
N68°28'25"W 1319.07'

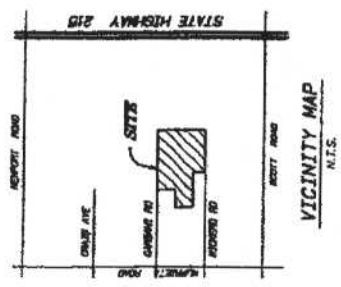


M.D. 01-0364

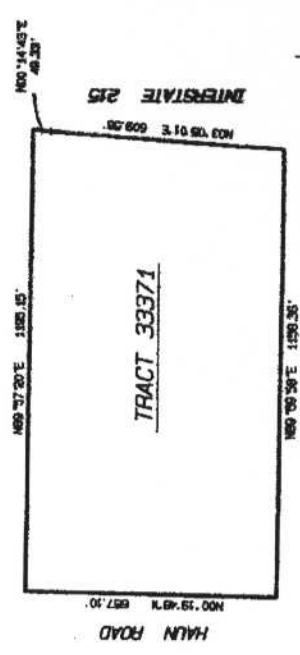
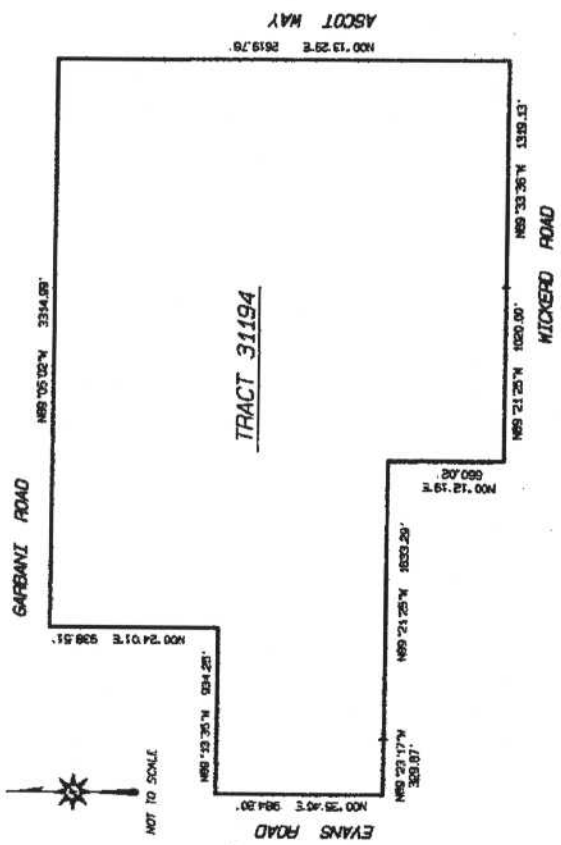
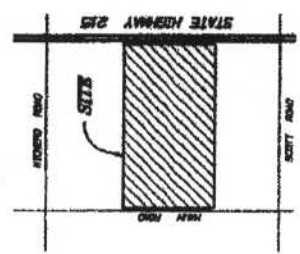
CDM 5/104
SHEET 7 OF 11 SHEETS

BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
 (SCOTT ROAD)
 OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

MENIFEE



MENIFEE



ALBERT A. WEBB
 ASSOCIATES
 PROFESSIONAL ENGINEERS

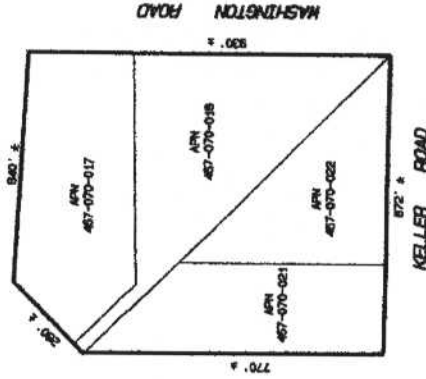
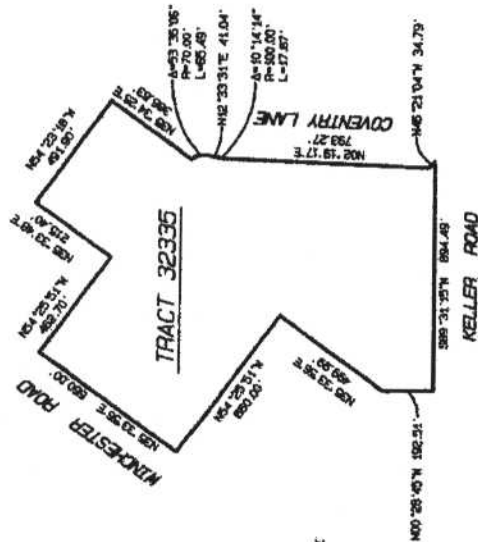
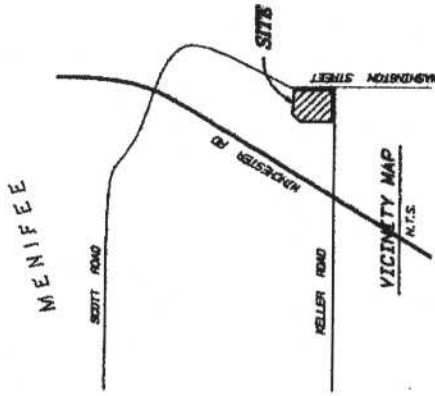
THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OF PARCELS REFER TO THE COUNTY ASSASSOR'S MAPS FOR FISCAL YEAR 2000-2006.

NOT TO SCALE
 NOT TO SCALE
 N.D. 01-03864

C 004 6/1

SHEET 8 OF 11 SHEETS

BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ALBERT A. WEBB
 ASSOCIATES
 ENGINEERS ARCHITECTS
 PLANNERS

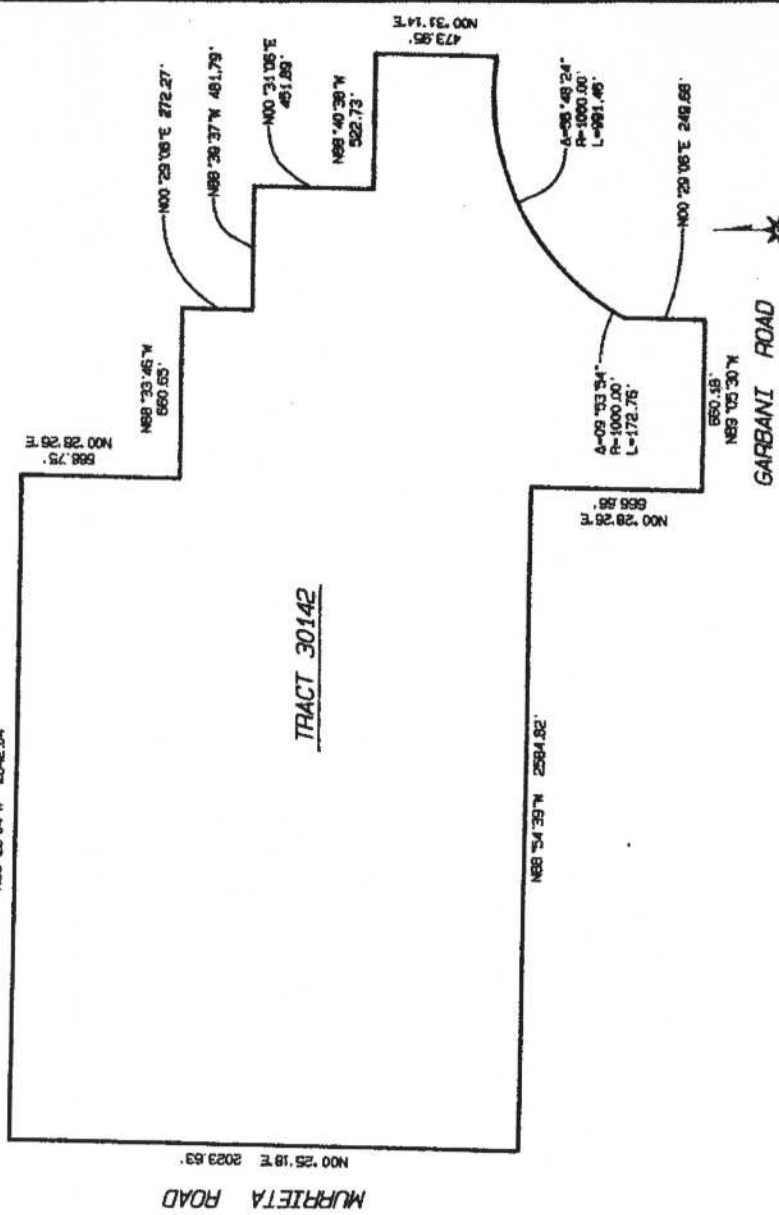
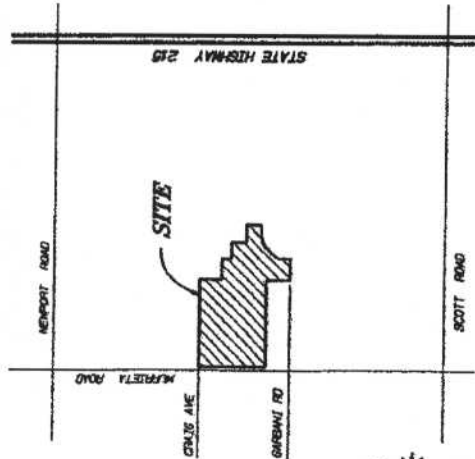
THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT NO. 05-8 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA. THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2008-2009.

M.D. 01-0384

C 004 5/9
SHEET 9 OF 11 SHEETS

BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
 (SCOTT ROAD)
 OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

MENIFEE

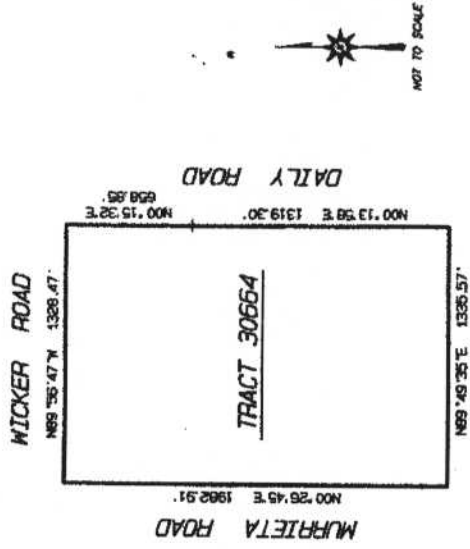
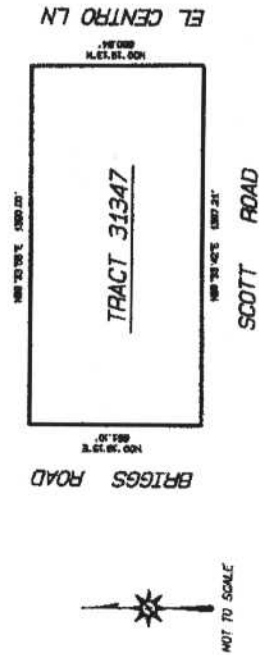
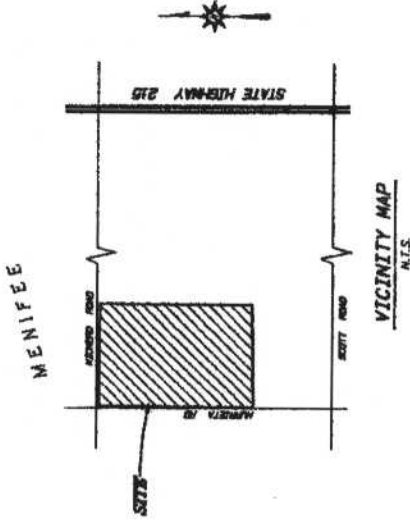
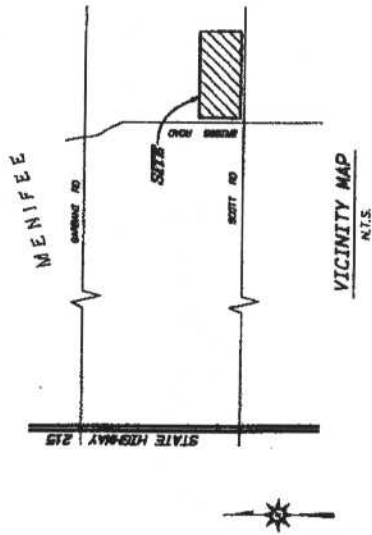


ALBERT A. WEBB ASSOCIATES
 ENGINEERING CONSULTANTS

RULE BOOKS AND CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT NO. 05-8 COMMENSURING THE LINES AND DIMENSIONS OF LOTS OF PARCELS REFER TO THE COUNTY ASSessor'S MAPS FOR FISCAL YEAR 2005-2006.

N.D. 01-0384

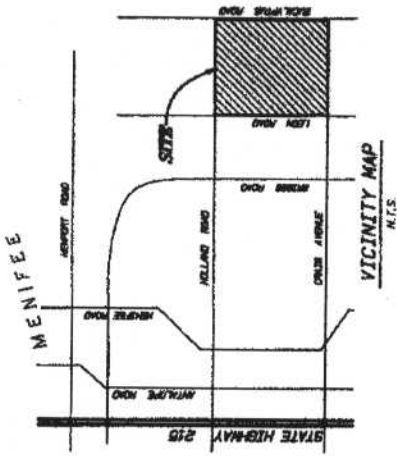
BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ALBERT A. WEBB
REGISTERED SURVEYOR
No. 10000
This boundary map correctly shows the boundaries of the Community Facilities District. For details concerning the locations of lots or parcels refer to the County Assessor's maps for fiscal year 2005-2006.

C 016 1510
SHEET 11 OF 11 SHEETS

BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



HOLLAND ROAD

N89°54'40"N 2089.82'



EUCALYPTUS ROAD

N01°00'49"W 2643.44'

LEON ROAD

N00°15'14"W 2643.89'

N89°55'34"N 2824.85'

CRAIG AVENUE

NOT TO SCALE

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE
COMMUNITY FACILITIES DISTRICT, FOR DETAILS CONCERNING THE
BOUNDARIES OF LOTS OR PARCELS REFER TO THE COUNTY
ASSASSOR'S MAPS FOR FISCAL YEAR 2005-2006.

ALBERT A
WEBB
ASSOCIATES
BOUNDARY SURVEYORS

EXHIBIT B

BOUNDARIES – POTENTIAL ANNEXATION AREA

**COMMUNITY FACILITIES DISTRICT NO. 05-8
(SCOTT ROAD)**

5/99
COIN

SHEET 1 OF 1 SHEET

BOUNDARIES - POTENTIAL ANNEXATION AREA COMMUNITY FACILITIES DISTRICT NO. 05-9 (SCOTT ROAD)

REFERRED THIS 21ST DAY OF DECEMBER, 2005 AT THE HOUR OF 2:00 O'CLOCK P.M. IN BOOK 645, PAGE 187, OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEES: \$ 7.00 NO. 0204-0017552
LARRY N. WARD, RIVERSIDE COUNTY ASSESSOR-CLERK-RECORDER

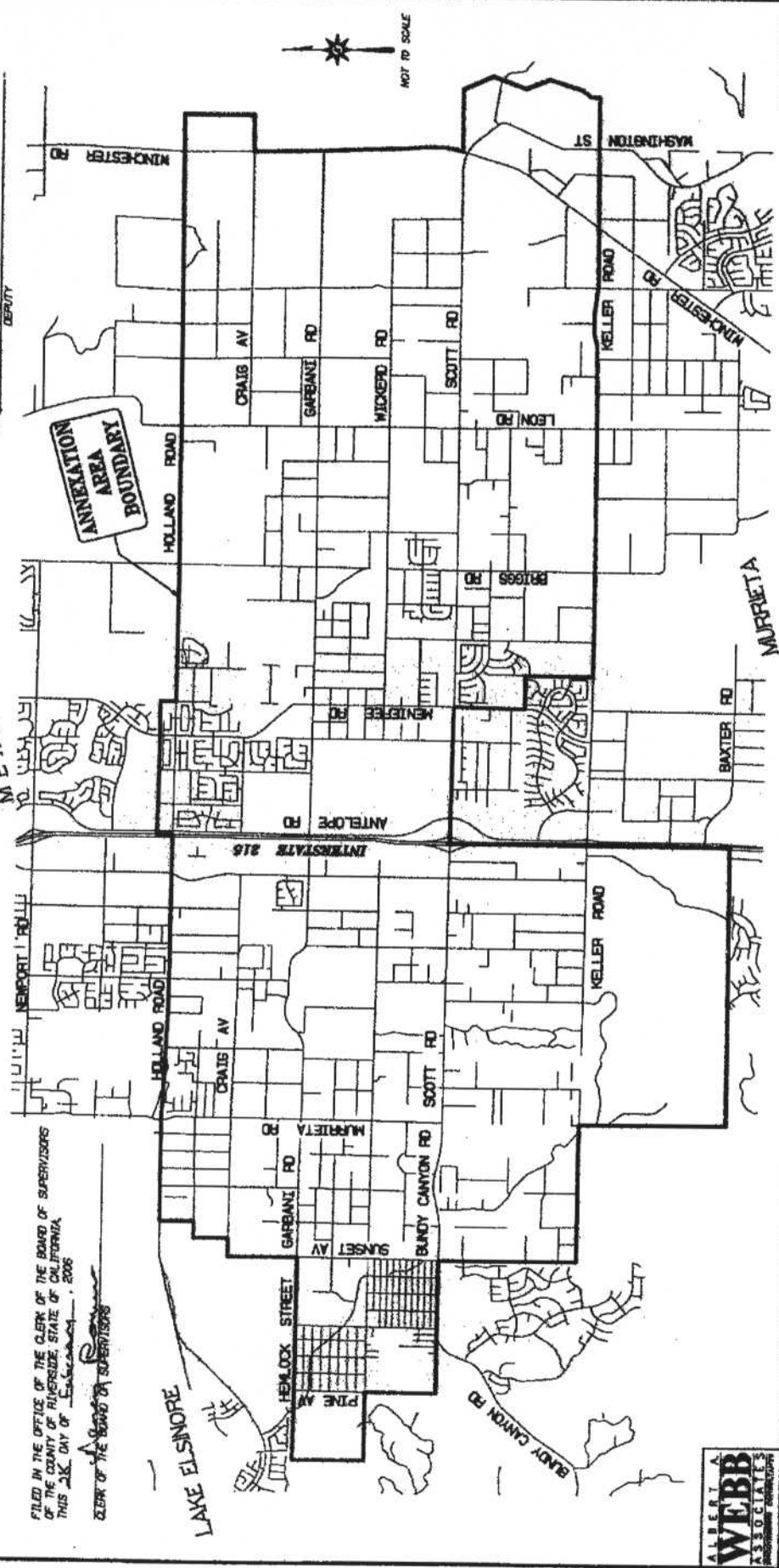
BY: *Thomas A. Bennett*
DEPUTY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING POTENTIAL ANNEXATION AREA OF COMMUNITY FACILITIES DISTRICT NO. 05-9 (SCOTT ROAD) OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA WAS APPROVED BY THE RIVERSIDE COUNTY BOARD OF SUPERVISORS AT A REGULAR MEETING THEREOF, HELD ON THE 21ST DAY OF DECEMBER, 2005, BY ITS RESOLUTION NO. 2005-0212

CLERK OF THE BOARD OF SUPERVISORS

FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THIS 23RD DAY OF FEBRUARY, 2006

CLERK OF THE BOARD OF SUPERVISORS



N.O. 01-0384

