

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

262



FROM: EXECUTIVE OFFICE

SUBMITTAL DATE:

July 14, 2006

SUBJECT: Initiation of Proceedings to form Community Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside.

RECOMMENDED MOTION: That the Board: (1) adopt Resolution No. 2006-298 of its Intention to Establish Community Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside and to Authorize the Levy of a Special Tax; (3) adopt Resolution No. 2006-299 to Incur Bonded Indebtedness; and, (4) set the Public Hearing consistent with the resolutions, for October 3, 2006 at 9:30 or as soon thereafter as the Board may reach the matter.

Continued on Page 2

Debra Cournoyer
Debra Cournoyer, Principal Management Analyst

FORM APPROVED
COUNTY COUNSEL
AUG 4 1 2006
Departmental Concurrence

BY *[Signature]*

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

SOURCE OF FUNDS: CFD bond funds	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 *[Signature]*

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Wilson and duly carried, IT WAS ORDERED that the above matter is approved as recommended, setting the matter for public hearing on Tuesday, October 3, 2006 at 9:30 a.m.

Ayes: Buster, Tavaglione, Stone and Wilson
Nays: None
Absent: Ashley
Date: August 29, 2006
xc: E.O., COB(2) Flood

Nancy Romero
Clerk of the Board
By *[Signature]*
Deputy

Dep't Recomm.: Policy Consent
Per Exec. Ofc.: Policy Consent

Prev. Agn. Ref.: | **District: 3** | **Agenda Number:**

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

9.1

BACKGROUND: Salt Creek Bridges is a County initiated request to form a community facilities district to fund a portion of the improvements for Newport Road. The improvements include the bridges, approach roads, flood control facilities at the Leon and Rice crossing of Salt Creek at Newport Road. These are in addition to those funded by CFD No. 03-1(Newport Road). CFD No. 05-1 is funding major transportation, flood control and water and waste water facilities to be owned and operated by the County, Flood Control District and EMWD.

It is the intent of the County that the proposed district will issue bonds to fund the facilities. The proposed CFD No. 05-1 is classified as a Critical Transportation Corridor CFD with at least six other proposed CFDs participating. The underlying CFDs are classified as Participant CFDs and propose financing items consistent with Board Policy B-12 for Participant CFDs.

Salt Creek runs east/west and is generally located in the Menifee / Winchester Valley area, in an unincorporated area of southern Riverside County. The proposed district is irregular in shape and consists of low mountains to rolling hills and level farm land.

It is estimated that \$45 million in Special Tax Bonds will be issued to finance the improvements. Principal and interest payments on the bonds will be made to the bondholders until 2036. The special tax rates are sufficient to support the bonded indebtedness to be incurred by the proposed district and are consistent with Board Policy B-12 regarding overlapping debt limitations for residential development.

There are approximately 3,407 acres within the boundaries of the proposed CFD which have been approved for approximately 8,129 dwelling units. Sufficient funds will be generated by the developed property to pay the annual debt service. The assigned annual special tax for developed property will escalate annually. The initial assigned annual special tax for a single family unit will be approximately \$329. The maximum annual special tax is approximately \$1,595 per acre for undeveloped property.

The value to lien ratio is anticipated to be sufficient to meet the County's 3 to 1 requirement. The proposed project is not requesting any waivers of County policy.

2014

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

2 **RESOLUTION NO. 2006-298**

3 **RESOLUTION OF THE BOARD OF SUPERVISORS OF**
4 **THE COUNTY OF RIVERSIDE OF INTENTION TO**
5 **ESTABLISH A COMMUNITY FACILITIES DISTRICT AND**
6 **TO AUTHORIZE THE LEVY OF SPECIAL TAXES AND**
7 **SETTING A DATE AND TIME FOR A PUBLIC HEARING**
8 **THEREON**

9 **Community Facilities District No. 05-1 (Salt Creek Bridges)**

10 **WHEREAS**, a community facilities district may be established under the Mello-Roos
11 Community Facilities Act of 1982 (the "Act") in order to finance certain public capital facilities;

12 **WHEREAS**, proceedings for the establishment of a community facilities district under
13 the Act may be instituted by the legislative body of a local agency on its own initiative;

14 **WHEREAS**, the Board of Supervisors (the "Board of Supervisors") of the County of
15 Riverside (the "County") constitutes the legislative body of a local agency for purposes of the
16 Act;

17 **WHEREAS**, the Board of Supervisors desires to institute proceedings to establish a
18 community facilities district (the "Community Facilities District") and to authorize the levy of
19 special taxes therein in order to finance certain public capital facilities;

20 **WHEREAS**, Section 53314.9 of the California Government Code (the "Government
21 Code") provides that, at any time either before or after the formation of a community facilities
22 district, the legislative body may accept advances of funds or work in-kind from any source,
23 including, but not limited to, private persons or private entities and may provide, by resolution,
24 for the use of those funds or that work in-kind for any authorized purpose;

25 **WHEREAS**, Section 53314.9 of the Government Code further provides that the
26 legislative body may enter into an agreement, by resolution, with the person or entity advancing
27 the funds or work in-kind, to repay all or a portion of the funds advanced, or to reimburse the
28 person or entity for the value, or cost, whichever is less, of the work in-kind, as determined by the
legislative body, with or without interest, under all the following conditions: (a) the proposal to
repay the funds or the value or cost of the work in-kind, whichever is less, is included in both the

1 resolution of intention to establish a community facilities district adopted pursuant to Section
2 53321 of the Government Code and in the resolution of formation to establish a community
3 facilities district pursuant to Section 53325.1 of the Government Code, (b) any proposed special
4 tax is approved by the qualified electors of the community facilities district pursuant to the Act,
5 and (c) any agreement shall specify that if the qualified electors of the community facilities
6 district do not approve the proposed special tax, the local agency shall return any funds which
7 have not been committed for any authorized purpose by the time of the election to the person or
8 entity advancing the funds, and (d) any work in-kind accepted pursuant to Section 53314.9 of the
9 Government Code shall have been performed or constructed as if the work had been performed or
10 constructed under the direction and supervision, or under the authority of, the local agency;

11 **WHEREAS**, the County and Newport Road Investors, LLC (“Newport Road Investors”)
12 have entered into a Cooperative Agreement Newport Road Water & Sewer Pipeline, dated
13 September 13, 2004 (the “Cooperative Agreement”), that provides for the advancement of funds
14 by or on behalf of Newport Road Investors to be used to pay the costs of construction of certain
15 water and sewer lines (the “Water and Sewer Lines”) and for the reimbursement to Newport Road
16 Investors of such funds advanced, without interest, from the proceeds of any special tax bonds
17 issued by the Community Facilities District;

18 **WHEREAS**, the County desires to include in this Resolution, in accordance with Section
19 53314.9 of the Government Code, the proposal to repay funds pursuant to the Cooperative
20 Agreement;

21 **WHEREAS**, the County, the Riverside County Flood Control and Water Conservation
22 District (the “Flood Control District”) and Pulte Home Corporation (“Pulte”) expect to enter into
23 a Joint Community Facilities Agreement, dated as of June 1, 2006 (the “Flood Control District
24 Agreement”), that provides for the advancement of certain work in-kind by Pulte, for the
25 acceptance of such work in-kind by the Flood Control District, for the use of such work in-kind
26 by the Flood Control District for its authorized purposes and for the reimbursement to Pulte of the
27 value, or cost, whichever is less, of such work in-kind from the proceeds of any special tax bonds
28 issued by the Community Facilities District;

1 **WHEREAS**, the County, Eastern Municipal Water District (the "EMWD"), Pulte and
2 Rancon Winchester Valley 200, LLC (collectively, the "Landowners") expect to enter into a Joint
3 Community Facilities Agreement, dated as of June 1, 2006 (the "EMWD Agreement"), that
4 provides for the advancement of certain work in-kind by the Landowners, for the acceptance of
5 such work in-kind by EMWD, for the use of such work in-kind by EMWD for its authorized
6 purposes and for the reimbursement to the Landowners of the value, or cost, whichever is less, of
7 such work in-kind from the proceeds of any special tax bonds issued by the Community Facilities
8 District;

9 **WHEREAS**, the County desires to include in this Resolution, in accordance with Section
10 53314.9 of the Government Code, the proposal to repay the value or cost of the work in-kind,
11 whichever is less, pursuant to the Flood Control District Agreement and the proposal to repay the
12 value or cost of the work in-kind, whichever is less, pursuant to the EMWD Agreement;

13 **WHEREAS**, Section 53325.6 of the Government Code provides that land devoted
14 primarily to agricultural, timber or livestock uses and being used for the commercial production
15 of agricultural, timber or livestock products may be included in a community facilities district
16 only if such land is contiguous to other land which is included within the described exterior
17 boundaries of the community facilities district, and only if the legislative body finds that the land
18 will be benefited by any of the types of public facilities and services proposed to be included
19 within the district; and

20 **WHEREAS**, certain of the land within the proposed Community Facilities District may
21 be devoted primarily to agricultural or livestock uses and may be being used for the commercial
22 production of agricultural or livestock products, and the Board of Supervisors desires to make
23 such finding with respect to such land;

24 **NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF**
25 **RIVERSIDE**, in regular session assembled on August 29, 2006, does hereby resolve, find,
26 determine and order as follows:

27 **Section 1.** The Board of Supervisors proposes to establish a community facilities district
28 under the terms of the Act. The boundaries of the territory proposed for inclusion in the

1 Community Facilities District are described in the map showing the proposed Community
2 Facilities District (the "Boundary Map") on file with the Clerk to the Board of Supervisors (the
3 "Clerk"), which boundaries are hereby preliminarily approved and to which map reference is
4 hereby made for further particulars. The Clerk is hereby directed to sign the original Boundary
5 Map and record, or cause to be recorded, the Boundary Map with all proper endorsements thereon
6 in the office of the Riverside County Recorder within 15 days of the date of adoption of this
7 Resolution, all as required by Section 3111 of the California Streets and Highways Code.

8 **Section 2.** The name proposed for the Community Facilities District is "Community
9 Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside."

10 **Section 3.** The public facilities (the "Facilities") proposed to be financed by the
11 Community Facilities District pursuant to the Act are described under the caption "Facilities" on
12 Exhibit A hereto, which is by this reference incorporated herein. The incidental expenses
13 proposed to be incurred are identified under the caption "Incidental Expenses" on Exhibit A
14 hereto. All or any portion of the Facilities may be financed through a financing plan, including,
15 but not limited to, a lease, lease-purchase or installment-purchase arrangement.

16 **Section 4.** Except where funds are otherwise available, a special tax sufficient to pay for
17 all Facilities, secured by recordation of a continuing lien against all nonexempt real property in
18 the Community Facilities District, will be annually levied within the Community Facilities
19 District. The rate and method of apportionment of the special tax (the "Rate and Method"), in
20 sufficient detail to allow each landowner within the proposed Community Facilities District to
21 estimate the maximum amount that he or she will have to pay, is described in Exhibit B attached
22 hereto, which is by this reference incorporated herein. The conditions under which the obligation
23 to pay the special tax may be prepaid and permanently satisfied are specified in the Rate and
24 Method. The special tax will be collected in the same manner as ordinary *ad valorem* property
25 taxes or in such other manner as the Board of Supervisors shall determine, including direct billing
26 of the affected property owners.

27 The tax year after which no further special tax will be levied against any parcel used for
28 private residential purposes is specified in the Rate and Method. Under no circumstances shall

1 the special tax levied against any parcel used for private residential purposes be increased as a
2 consequence of delinquency or default by the owner of any other parcel or parcels within the
3 Community Facilities District by more than 10%. For purposes of this paragraph, a parcel shall
4 be considered "used for private residential purposes" not later than the date on which an
5 occupancy permit for private residential use is issued.

6 **Section 5.** Pursuant to Section 53344.1 of the Government Code, the Board of
7 Supervisors hereby reserves to itself the right and authority to allow any interested owner of
8 property within the Community Facilities District, subject to the provisions of said Section
9 53344.1 and to those conditions as it may impose, and any applicable prepayment penalties as
10 prescribed in the bond indenture or comparable instrument or document, to tender to the
11 Community Facilities District treasurer in full payment or part payment of any installment of the
12 special taxes levied pursuant to the Rate and Method or the interest or penalties thereon which
13 may be due or delinquent, but for which a bill has been received, any bond or other obligation
14 secured thereby, the bond or other obligation to be taken at par and credit to be given for the
15 accrued interest shown thereby computed to the date of tender.

16 **Section 6.** The Board of Supervisors hereby fixes Tuesday, October 3, 2006, at 9:30 a.m.,
17 or as soon thereafter as the Board of Supervisors may reach the matter, at the Board of
18 Supervisors Chambers, 4080 Lemon Street, 1st Floor, Riverside, California, as the time and place
19 when and where the Board of Supervisors will conduct a public hearing on the establishment of
20 the Community Facilities District.

21 **Section 7.** The Clerk is hereby directed to publish, or cause to be published, a notice of
22 said public hearing, as prepared and approved by bond counsel, one time in *The Press-Enterprise*,
23 a newspaper of general circulation published in the area of the Community Facilities District.
24 The publication of said notice shall be completed at least seven days prior to the date herein fixed
25 for said hearing. Said notice shall contain the information prescribed by Section 53322 of the
26 Government Code.

27 The Clerk is hereby further directed to give notice of said public hearing, as prepared and
28 approved by bond counsel, by first-class mail to each registered voter and to each landowner

1 within the Community Facilities District. Said notice shall be mailed at least 15 days prior to the
2 date of said hearing and shall contain the same information as is required to be contained in the
3 notice published pursuant to Section 53322 of the Government Code.

4 **Section 8.** The levy of said proposed special tax shall be subject to the approval of the
5 qualified electors of the Community Facilities District at a special election. The proposed voting
6 procedure shall be by mailed or hand-delivered ballot among the landowners in the Community
7 Facilities District, with each owner having one vote for each acre or portion of an acre such
8 owner owns in the Community Facilities District.

9 **Section 9.** Each officer of the County who is or will be responsible for providing one or
10 more of the proposed types of Facilities is hereby directed to study, or cause to be studied, the
11 proposed Community Facilities District and, at or before said public hearing, file a report with the
12 Board of Supervisors containing a brief description of the public facilities by type which will in
13 his or her opinion be required to adequately meet the needs of the Community Facilities District,
14 and his or her estimate of the cost of providing the Facilities. Such officers are hereby also
15 directed to estimate the fair and reasonable cost of the incidental expenses proposed to be paid.
16 Such report shall be made a part of the record of said public hearing.

17 **Section 10.** In the opinion of the Board of Supervisors, the public interest will not be
18 served by allowing the property owners within the proposed Community Facilities District to
19 enter into a contract in accordance with subdivision (a) of Section 53329.5 of the Government
20 Code and, accordingly, the Board of Supervisors hereby provides that such property owners may
21 not enter into a contract in accordance with said subdivision.

22 **Section 11.** Newport Road Investors has heretofore advanced certain funds, and may
23 advance additional funds, to the County, which have been or may be used to pay costs of
24 construction of the Water and Sewer Lines. The Board of Supervisors proposes to repay all or a
25 portion of such funds expended for such purpose, from the proceeds of special tax bonds issued
26 by the Community Facilities District, pursuant to the Cooperative Agreement.

27 **Section 12.** Pulte has heretofore advanced certain work in-kind, and may advance
28 additional work in-kind, to the Flood Control District. The Board of Supervisors proposes to

1 repay the value or cost of such work in-kind, whichever is less, from the proceeds of special tax
2 bonds issued by the Community Facilities District, pursuant to the Flood Control District
3 Agreement.

4 **Section 13.** The Landowners have heretofore advanced certain work in-kind, and may
5 advance additional work in-kind, to EMWD. The Board of Supervisors proposes to repay the
6 value or cost of such work in-kind, whichever is less, from the proceeds of special tax bonds
7 issued by the Community Facilities District, pursuant to the EMWD Agreement.

8 **Section 14.** The Board of Supervisors hereby finds that any land in the proposed
9 Community Facilities District devoted primarily to agricultural or livestock uses and being used
10 for the commercial production of agricultural or livestock products will be benefited by the
11 Facilities.

12 **Section 15.** The officers of the County are, and each of them is, hereby authorized and
13 directed to do any and all things, and to execute and deliver any and all documents which said
14 officers may deem necessary or advisable in order to accomplish the purposes of this Resolution
15 and not inconsistent with the provisions hereof.

16 **ADOPTED, SIGNED AND APPROVED** this 29th day of August, 2006, by the Board
17 of Supervisors of the County of Riverside.

18 

19 Chairman of the Board of Supervisors
20 Bob Buster

21 **ATTEST:**
22 Nancy Romero
23 Clerk to the Board of Supervisors

24 By: 

25 Deputy

26 ROLL CALL:

27 Ayes: Buster, Tavaglione, Stone and Wilson
28 Nays: None
Absent: Ashley

FORM APPROVED
COUNTY COUNSEL

AUG 14 2006

BY: 

The foregoing is certified to be a true copy of a
resolution duly adopted by said Board of Super-
visors on the date therein set forth.

NANCY ROMERO Clerk of said Board

By:  Deputy

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EXHIBIT A

FACILITIES AND INCIDENTAL EXPENSES

Facilities

The types of facilities to be financed by the Community Facilities District are bridge facilities, and appurtenances thereto, street improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and parkway and landscaping related thereto, sewers, storm drains, water facilities and land, rights-of-way and easements necessary for any of such facilities.

Incidental Expenses

The incidental expenses proposed to be incurred include the following:

- (a) the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities;
- (b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR
COMMUNITY FACILITIES DISTRICT NO. 05-1
(SALT CREEK BRIDGES)
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. 05-1 (Salt Creek Bridges) of the County. The amount of Special Tax to be levied each Fiscal Year, commencing in Fiscal Year 2007-2008, on a Parcel shall be determined by the Legislative Body, by applying the appropriate rate of Special Tax for each category of Taxable Property, as calculated consistent with Sections B., C., and D., below, unless the Parcel is Exempt Property, as provided for in Section E., below. All of the real property within the CFD, unless exempted by law or Section E., 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 determined 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 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, trustee/fiscal agent expenses and fees, rebate compliance calculation fees, 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.

“Approved Property” means, for each Fiscal Year, all Parcels of Taxable 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.

“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.

“Assumed Administrative Expenses” means (a) for Fiscal Year 2007-08, \$70,000, and (b) for any subsequent Fiscal Year, the amount resulting from increasing the Assumed Administrative Expenses on each July 1, from and including July 1, 2008 to and including the July 1 in such Fiscal Year, by 2% of the amount in effect for the previous Fiscal Year.

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

“CFD” means Community Facilities District No. 05-1 (Salt Creek Bridges) of the County established pursuant to the Act and identified by the Boundary Maps attached as Exhibit B.

“County” means the County of Riverside.

“Developed Property” means, for each Fiscal Year, all Parcels of Taxable Property, not classified as Public Property and/or Property Owners' Association Property: (i) that are included in a Final Map that was recorded prior to January 1st preceding said Fiscal Year and (ii) for which a building permit for new construction has been issued prior to April 1st of the preceding Fiscal Year.

“Exempt Property” means, for each Fiscal Year, any Parcel which is exempt from the Special Taxes pursuant to Section E., below.

“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, as determined by the Administrator.

“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, 2007.

“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.

“Initial Maximum Special Tax” means, for each Parcel of Initial Taxable Property, the rate as shown in column (5) of Exhibit A for said Parcel.

“Initial Taxable Acres” means, for each Parcel of Initial Taxable Property, the number of acres as set forth in column (4) of Exhibit A.

“Initial Taxable Property” means each Parcel as listed in column (1) of Exhibit A.

“Land Use Category” means any of the following land use categories: Single Family Property, Multifamily Property, Non-Residential Property, Approved Property, Undeveloped Property, Public Property and Property Owner Association Property.

“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, all Parcels of Residential Property for which a building permit can or has been issued to construct attached residential units that are

under common management and are available for rental, but not purchase, by the general public, as determined by the Administrator.

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

"Non-Residential Floor Area" means, with regard to Multiple Land Use Property only, all of the square footage within the outside perimeter of all structures on a Parcel used for non-residential purposes, measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, 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 Property" means, for each Fiscal Year, all Parcels of Developed Property and Approved Property for which a building permit can or has been issued for any type of non-residential use, as determined by the Administrator.

"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 an Assessor's 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. Property Owners' Association Property includes but is not limited to property dedicated and restricted for the use as streets, open space, park, habitat reserve, golf course clubhouse or recreational facilities.

"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 Maximum Special Tax, as applicable, is the same for all Parcels of Approved Property,

(iii) Initial Taxable Property, that the ratio of the actual Special Tax levy to the Initial Maximum Special Tax, is the same for all Parcels of Initial Taxable Property, (iv) Undeveloped 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 such Property, and (v) Public Property and/or Property Owners' Association Property, that is not Exempt 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 such 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, 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; 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. Public Property includes but is 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 or habitat reserve.

“Residential Floor Area” means, with regard to Multiple Land Use Property only, all of the square footage within the outside perimeter of all structures on a Parcel used for residential purposes, measured from outside wall to outside wall, exclusive of overhangs, porches, patios, carports, or similar spaces attached to the building but generally open on at least two sides. 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 Property” means, for each Fiscal Year, all Parcels of Developed Property and Approved Property for which a building permit can or has been issued for a residential dwelling unit, as determined by the Administrator.

“Single Family Property” means, for each Fiscal Year, any Parcel of Residential Property, other than Multifamily Property, for which a building permit can or has been issued for attached or detached residential units, as determined by the Administrator.

“Special Tax” means the special tax to be levied in any Fiscal Year on each Parcel of Taxable 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 costs of facilities, provided such amount does not cause an increase in the Special Tax levy on Approved Property or Undeveloped 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 Property” means, for each Fiscal Year, all Parcels in the CFD which are not Exempt Property.

“TOPO/GEO Challenged Acreage” means, for a Parcel of Initial Taxable Property, the acreage stated in column (3) of Exhibit A, and for any other Parcel, that acreage, as determined by the Administrator, to be within the TOPO/GEO Challenged Area.

“TOPO/GEO Challenged Area” means the area identified within Exhibit A as the acreage that is not developable due to topographical or geographical constraints.

“TOPO/GEO Challenged Parcel” means, for each Fiscal Year, any Parcel located wholly within the boundaries of the TOPO/GEO Challenged Area as identified within Exhibit A.

“Total Floor Area” means for any Parcel of Multiple Land Use Property the sum of the Residential Floor Area and Non-Residential Floor Area.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property for which: (i) a parcel map or lot line adjustment is recorded on one or more Parcel(s) of Initial Taxable Property; (ii) the total taxable Acreage of the resulting Parcel(s) does not equal the taxable Acreage of the parent Parcel as stated in column (4) of Exhibit A; and (iii) a Final Map has not been recorded prior to January 1 of said Fiscal Year.

B. ASSIGNMENT TO LAND USE CATEGORIES

At the formation of the CFD, all Parcels listed in column (1) of Exhibit A shall be considered Initial Taxable Property. Each Fiscal Year in which the Special Tax is levied, all Parcels shall be categorized as either Initial Taxable Property, a TOPO/GEO Challenged Parcel, Developed Property, Approved Property, Undeveloped Property, Public Property, Property Owners' Association Property or Exempt Property, and shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C., D., and E., below.

When a parcel map or lot line adjustment is recorded on one or more Parcel(s) of Initial Taxable Property, and if the Administrator determines that the total taxable Acreage of the resulting Parcel(s) equals the taxable Acreage of the parent Parcel as stated in column (4) of Exhibit A, then each resulting Parcel shall be categorized as Initial Taxable Property. The Administrator shall update Exhibit A to reflect such changes.

When a parcel map or lot line adjustment is recorded on one or more Parcel(s) of Initial Taxable Property, and if the Administrator determines that the total taxable Acreage of the resulting Parcel(s) is less than the taxable Acreage of the parent Parcel as shown in column (4) of Exhibit A, then each resulting Parcel(s) shall be categorized as Undeveloped Property.

When a Final Map is recorded on any Parcel of Initial Taxable Property or Undeveloped Property, the Parcels created by the Final Map, other than TOPO/GEO Challenged Parcels, Public Property, Property Owners' Association Property and Exempt Property, shall be categorized as Approved Property or Developed Property. Approved Property and Developed Property shall further be classified as Residential Property, Non-Residential Property or Multiple Land Use Property. Residential Property shall further be classified as Single Family Property or Multifamily Property.

C. SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

The Maximum Special Tax for each Parcel of Single Family Property shall be the greater

of: (i) the applicable Assigned Special Tax determined pursuant to Section C.1.b, below, or (ii) the amount derived by application of the Backup Special Tax.

The Maximum Special Tax and the Backup Special Tax for each Parcel of Non-Residential Property and Multifamily Property shall be the Assigned Special Tax determined pursuant to Section C.1.b, below; provided however, that for purposes of such calculation, the Acreage of any Parcel shall be reduced by its TOPO/GEO Challenged Acreage.

b. Assigned Special Tax

i. Assigned Special Tax Through Adjustment Date Fiscal Year

For each Fiscal Year from and including Fiscal Year 2007-2008 to and including the Fiscal Year in which the Adjustment Date occurs, the Assigned Special Tax for each Parcel of Developed Property, except Multiple Land Use Property, shall be as described below

TABLE 1

**Developed Property
Assigned Special Taxes
For Fiscal Year 2007-2008**

Land Use Category	Taxable Parcel/Acre	Assigned Special Tax Per Parcel/Acre
1 - Single Family Property	Parcel	\$411
2. - Multifamily Property	Acre	\$1,497
3 - Non - Residential Property	Acre	\$1,497

For each Fiscal Year following Fiscal Year 2007-2008, to and including the Fiscal Year in which the Adjustment Date occurs, the Assigned Special Tax shall increase by an amount equal to 2.00% of the Assigned Special Tax in effect for the prior Fiscal Year.

ii. Assigned Special Tax After Adjustment Date Fiscal Year

For each Fiscal Year after the Fiscal Year in which the Adjustment Date occurs, the Assigned Special Tax for Developed Single Family Property for such Fiscal Year shall be equal to the quotient of (a) 100% of the Total Assigned Special Tax for such Fiscal Year,

divided by (b) 8,200.

For each Fiscal Year after the Fiscal Year in which the Adjustment Date occurs, the Assigned Special Tax for Developed Multifamily Property for such Fiscal Year shall be (a) if such Fiscal Year is Fiscal Year 2007-2008, \$1,497, and (b) if such Fiscal Year is any subsequent Fiscal Year, the amount resulting from increasing the Assigned Special Tax on each July 1, from and including July 1, 2008 to and including the July 1 in such Fiscal Year by 2.00% of the amount in effect for the previous Fiscal Year.

For each Fiscal Year after the Fiscal Year in which the Adjustment Date occurs, the Assigned Special Tax for Developed Non-Residential Property for such Fiscal Year shall be equal to the quotient of (a) 0% of the Total Assigned Special Tax for such Fiscal Year, divided by (b) 0.

In order to set forth and describe the Assigned Special Tax for each Developed Single Family Property, Developed Multifamily Property and Developed Non-Residential Property Land Use Category, as adjusted pursuant to this Section C.1.b.ii, the Administrator shall, within 15 days after the Adjustment Date, complete the table set forth in Exhibit C hereto by inserting therein the Assigned Special Tax for each Developed Single Family Property, Developed Multifamily Property and Developed Non-Residential Property Land Use Category for the first Fiscal Year after the Fiscal Year in which the Adjustment Date occurs, after giving effect to the adjustment in such Assigned Special Tax made pursuant to this Section C.1.b.ii. Additionally, the Administrator shall, within 15 days after the Adjustment Date, record with the Riverside County Recorder an Addendum to the Notice of Special Tax Lien for the CFD, which Addendum shall reference the book and page and recording date of the Notice of Special Tax Lien for the CFD and any amendments to it, shall include the table set forth in Exhibit C hereto and shall otherwise clearly set forth the adjustments in said Assigned Special Taxes.

iii. Definitions

“Adjustment Date” means the date of initial issuance of Bonds.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest due on the outstanding Bonds in such Bond Year, assuming that the outstanding Bonds are retired as scheduled, including by reason of mandatory sinking fund redemptions (except to the extent that such interest is to be paid from the proceeds of the sale of the Bonds that has been set aside for such purpose), and (b) the principal amount of the outstanding Bonds due in such Bond Year, including any mandatory sinking fund redemptions due in such

Bond Year.

“Bond Year” means each twelve-month period beginning on September 2 in each year and extending to the next succeeding September 1.

“Corresponding Bond Year” means, with respect to any Fiscal Year, the Bond Year that commences in such Fiscal Year.

“Developed Multifamily Property” means, for each Fiscal Year, Multifamily Property that is Developed Property.

“Developed Non-Residential Property” means, for each Fiscal Year, Non-Residential Property which is Developed Property.

“Developed Single Family Property” means, for each Fiscal Year, Single Family Property which is Developed Property.

“Initial Total Assigned Special Tax” means the smallest amount that causes the Total Assigned Special Tax for each Fiscal Year to be an amount such that the remainder of (a) the Total Assigned Special Tax for such Fiscal Year, less (b) the Assumed Administrative Expenses for such Fiscal Year, is equal to or greater than 110% of Annual Debt Service for the Corresponding Bond Year.

“Total Assigned Special Tax” means (a) for Fiscal Year 2007-08, the Initial Total Assigned Special Tax, and (b) for any subsequent Fiscal Year, the amount resulting from increasing the Total Assigned Special Tax on each July 1, from and including July 1, 2008 to and including the July 1 in such Fiscal Year, by 2.00% of the amount in effect for the previous Fiscal Year.

c. Backup Special Tax

For Fiscal Year 2007-2008, the Backup Special Tax for each Parcel of Single Family Property, other than a TOPO/GEO Challenged Parcel that is Developed Property, created by a Final Map shall be determined by multiplying \$1,497, by the total Acreage of Taxable Property within said Final Map that includes such parcel, excluding the Acreage classified as Multifamily Property, Multiple Land Use Property, Non-Residential Property, Public Property and/or Property Owners' Association Property that is not Exempt Property and the TOPO/GEO Challenged Acreage within said Final Map, and dividing such amount by the number of Parcels of Single Family Property.

Notwithstanding the foregoing, if the number of proposed units of Multifamily Property

in a specific Final Map is subsequently changed or modified by recordation of a lot line adjustment or similar instrument, then the Backup Special Tax will be recalculated for the units of Multifamily Property within the changed or modified area of said Final Map utilizing the modified number of units in such area so that such changed area shall be subject to the same aggregate Backup Special Tax.

The Backup Special Tax for each TOPO/GEO Challenged Parcel that is categorized as Developed Property shall be \$411 for Fiscal Year 2007-2008.

For each Fiscal Year following Fiscal Year 2007-2008, the Backup Special Tax shall increase by an amount equal to 2.00% of the Backup Special Tax in effect for the prior Fiscal Year.

d. Multiple Land Use Property

In some instances a Parcel of Developed Property that is not identified as single family residential may be assigned to more than one Land Use Category. The Assigned Special Tax levied on such a Parcel shall be the sum of the Assigned Special Tax levies for all Land Use Categories located on such Parcel. The Backup Special Tax levied on a Parcel shall be the sum of the Backup Special Tax levies that can be imposed on all Land Use Categories located on such Parcel. The Maximum Special Tax levied on a Parcel shall be the sum of the Maximum Special Tax levies that can be imposed on all Land Use Categories located on such Parcel.

For purposes of calculating the Backup Special Tax for each Land Use Category under such circumstances, the Acreage assigned to each 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.

2. Approved Property

The Maximum Special Tax for each Parcel of Single Family Property shall be the greater of: (i) the applicable Assigned Special Tax set forth in Table 2, or (ii) the amount derived by application of the Backup Special Tax.

The Maximum Special Tax and the Backup Special Tax for each Parcel of Non-

Residential Property and Multifamily Property shall be the Assigned Special Tax set forth in Table 2, below; provided however, that for purposes of such calculation, the Acreage of any Parcel shall be reduced by its TOPO/GEO Challenged Acreage.

For each Fiscal Year following Fiscal Year 2007-2008, the Maximum Special Tax shall increase by an amount equal to 2.00% of the Maximum Special Tax in effect for the prior Fiscal Year.

The Assigned Special Tax for each Parcel of Approved Property, except Multiple Land Use Property, is stated in Table 2.

TABLE 2

Approved Property

Assigned Special Taxes

For Fiscal Year 2007-2008

Land Use Category	Taxable Parcel/Acre	Assigned Special Tax Per Parcel/Acre
1 – Single Family Property	Parcel	\$411
2. – Multifamily Property	Acre	\$1,497
3 - Non – Residential Property	Acre	\$1,497

For each Fiscal Year following Fiscal Year 2007-2008, the Assigned Special Tax shall increase by an amount equal to 2.00% of the Assigned Special Tax in effect for the prior Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2007-2008 and for each following Fiscal Year, the Legislative Body shall levy the Special Tax on all Taxable Property until the amount of Special Tax equals the Special Tax Requirement in accordance with the following steps:

First: For each Fiscal Year after the Fiscal Year in which the initial issuance of Bonds occurs, the Special Tax shall be levied on each Parcel of Developed Property at 100% of the applicable Assigned Special Tax. For each Fiscal Year after the Fiscal Year in which the initial Bonds are issued, 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 applicable 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 shall be levied on each Parcel of Initial Taxable Property up to 100% of the Initial Maximum Special Tax in Exhibit A 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 on each Parcel of Approved Property and/or Developed Property whose Maximum Special Tax is derived by the application of the Backup Special Tax, shall be increased Proportionately at up to 100% of the difference between the applicable Maximum Special Tax for each such Parcel less the applicable Assigned Special Tax for such Parcel 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 Property Owners' Association Property that is not Exempt Property at up to 100% of the Maximum Special Tax as needed to satisfy the Special Tax Requirement.

Seventh: If additional moneys are need 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 Public Property that is not Exempt 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, other than the area identified in the TOPO/GEO Challenged Area, conveyed or irrevocably offered for dedication to a public agency after formation of the CFD and not otherwise shown as or not 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. Parcels conveyed or irrevocably offered for dedication to a public agency within the TOPO/GEO Challenged Area shall not be deducted from the acreage exemptions below.

Notwithstanding the above, the Special Tax shall not be imposed upon any of the following:

- (1) The Legislative Body shall not levy Special Taxes on up to 211.68 Acres of Public Property which include, but not limited to, public streets, water and sewer facilities, and/or flood control drainage channels.
- (2) The Legislative Body shall not levy Special Taxes on up to 53.58 Acres of Public Property that is owned by a public school district.
- (3) The Legislative Body shall not levy Special Taxes on up to 215.12 Acres of Public Property and/or Property Owners' Association Property that is property dedicated and restricted for the use as open space, park, or habitat reserve.

If the limit of Acres within one of the categories described in (1), (2) or (3), above, has not been reached, the Legislative Body may, at its discretion as and when it deems appropriate, reallocate and transfer all or a portion of the remaining Acres in said category to either of the other two categories.

After the limit of Acres within each of the above has been reached, the Special Tax obligation for any additional Public Property and/or Property Owners' Association Property may prepay the Acreage's Special Tax pursuant to the provision within Section H., below. Until the Special Tax obligation is prepaid as provided for in the preceding sentence, the Public Property and/or Property Owners' Association Property will be subject to the levy of the Special Tax as provided for in the sixth and seventh steps of Section D. above. In

addition, the Special Tax shall not be imposed on the approximately 4.68 acres of private property as identified in Exhibit D hereto.

F. MANNER OF COLLECTION, PENALTIES, PROCEDURE & 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 the Special Tax 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 1 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

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; plus (b) the Assumed Administrative Expenses for such Fiscal Year.

The following definitions apply to this Section H:

“CFD Public Facilities” means either \$36,905,895 expressed in 2006 dollars, which shall increase by the Construction Inflation Index on July 1, 2007, and on each July 1 thereafter, or such lower number as (i) shall be determined by the Administrator as sufficient to provide the public facilities under the authorized bonding program of the CFD, or (ii) shall be determined by the Legislative Body concurrently with a covenant that it will not issue any more Bonds to be supported by Special Tax levied under this Rate and Method of Apportionment.

“Construction Fund” means a fund or an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

“Construction Inflation Index” means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

“Future Facilities Costs” means the CFD Public Facilities minus public facility costs available to be funded through escrow accounts or funded by the Outstanding Bonds as defined in Section A, minus public facility costs funded by interest earnings on the Construction Fund actually earned prior to the date of prepayment.

“Outstanding Bonds” means all previously issued Bonds issued and secured by the levy of Special Taxes, which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of Special Taxes.

Prepayment in Full

The Maximum Special Tax obligation may only be prepaid and permanently satisfied by a Parcel of Developed Property, Approved Property, or Undeveloped Property for which a building permit has been issued, or Public Property and/or Property Owners' Association 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. 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.

The Prepayment Amount (defined below) shall equal the sum of the amount as identified below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
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 Approved Property and/or Developed Property, compute the Maximum Special Tax obligation for the current Fiscal Year for the Parcel. For Parcels of Undeveloped Property, compute the Maximum Special Tax obligation for the current Fiscal Year for the Parcel as though it was already designated as Developed Property, based upon the building permit which has been issued for the Parcel. For Parcels of Public Property and/or Property Owners' Association Property to be prepaid, compute the Maximum Special Tax 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 Future Facilities Costs.
 7. Multiply the quotient derived pursuant to paragraph 3 by the amount derived pursuant to paragraph 6 to determine the amount of Future Facilities Costs for the Parcel (the "*Future Facilities Amount*").
 8. 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.
 9. Determine the Special Tax levied on the Parcel in the current Fiscal Year which have not yet been paid.
 10. Compute the amount the Administrator reasonably expects to derive from the investment of the Bond Redemption Amount, the Redemption Premium and the amount derived pursuant to paragraph 8, from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the Prepayment Amount.
 11. Add the amounts derived pursuant to paragraphs 8 and 9 and subtract the amount derived pursuant to paragraph 10 (the "*Defeasance Amount*").
 12. 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*”).

13. 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.

14. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance Amount and the Administrative Fees and Expenses, less the Reserve Fund Credit (the “*Prepayment Amount*”).

15. 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 or make debt service payments. The Future Facilities Amount shall be deposited into the Construction Fund. 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 9 (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 Tax and the release of the Special Tax lien for the Parcel, and the obligation of the Parcel to pay the Special Tax shall cease.

EXHIBIT A

Initial Taxable Property (Fiscal Year 2007-2008)	Acres	TOPO/GEO Challenged Acreage	Initial Taxable Acres	Initial Maximum Special Tax (\$1,497)
(1)	(2)	(3)	(4)	(5)
461150007-0	0.72	0	0.72	\$1,077.84
461150008-1	0.83	0	0.83	\$1,242.51
461150009-2	0.72	0	0.72	\$1,077.84
461150015-7	74.68	4.84	69.84	\$104,550.48
461160029-1	47.08	0	47.08	\$70,478.76
461180068-8	35.25	0	35.25	\$52,769.25
461180070-9	32.43	0	32.43	\$48,547.71
461180072-2	26.82	0	26.82	\$40,149.54
461180071-0	25.85	0	25.85	\$38,697.45
461200035-9	30.16	0	30.16	\$45,149.52
461200036-0	19.28	0	19.28	\$28,862.16
462020040-4	11.47	0	11.47	\$17,170.59
462020041-5	13.75	0	13.75	\$20,583.75
462020044-8	8.37	0	8.37	\$12,529.89
462020046-0	10.26	0	10.26	\$15,359.22
462020047-1	9.26	0	9.26	\$13,862.22
461160021-3	3.24	0	3.24	\$4,850.28
461160032-3	17.22	0	17.22	\$25,778.34
461160033-4	18.08	0	18.08	\$27,065.76
461160034-5	15.43	0	15.43	\$23,098.71
461160036-7	13.17	0	13.17	\$19,715.49
461180057-8	14.26	0	14.26	\$21,347.22
461180058-9	6.88	0	6.88	\$10,299.36
461180059-0	6.88	0	6.88	\$10,299.36
461180061-1	15.13	0	15.13	\$22,649.61
461180062-2	7.83	0	7.83	\$11,721.51
461180063-3	7.83	0	7.83	\$11,721.51
461180064-4	10.00	0	10.00	\$14,970.00
461180065-5	10.00	0	10.00	\$14,970.00
461180066-6	10.03	0	10.03	\$15,014.91
461180067-7	14.47	0	14.47	\$21,661.59
461200028-3	29.82	0	29.82	\$44,640.54
461170006-1	54.04	0	54.04	\$80,897.88
461170007-2	179.22	139.18	40.04	\$59,939.88
461190041-4	23.19	0	23.19	\$34,715.43
461190067-8	60.52	60.52	0	\$0.00
461190072-2	23.48	0	23.48	\$35,149.56
461190073-3	54.07	0	54.07	\$80,942.79
461190074-4	50.94	50.94	0	\$0.00
461190076-6	2.71	0	2.71	\$4,056.87
461190077-7	17.84	0	17.84	\$26,706.48
461190079-9	39.55	0	39.55	\$59,206.35

Initial Taxable Property (Fiscal Year 2007-2008)	Acres	TOPO/GEO Challenged Acreage	Initial Taxable Acres	Initial Maximum Special Tax (\$1,497)
(1)	(2)	(3)	(4)	(5)
461210009-7	9.96	9.1	0.86	\$1,287.42
461210011-8	77.04	28.39	48.65	\$72,829.05
461210019-6	15.08	0	15.08	\$22,574.76
461210020-6	71.3	37.95	33.35	\$49,924.95
461210021-7	28.18	9.25	18.93	\$28,338.21
461050012-5	3.15	0	3.15	\$4,715.55
461150006-9	71.98	0	71.98	\$107,754.06
462020010-7	39.09	0	39.09	\$58,517.73
462020039-4	29.26	0	29.26	\$43,802.22
462020049-3	38.52	0	38.52	\$57,664.44
462050001-2	9.53	0	9.53	\$14,266.41
462050002-3	39.73	0	39.73	\$59,475.81
462060001-3	9.85	0	9.85	\$14,745.45
462060002-4	9.86	0	9.86	\$14,760.42
462060005-7	9.86	0	9.86	\$14,760.42
462060006-8	9.86	0	9.86	\$14,760.42
462060012-3	8.74	0	8.74	\$13,083.78
462060013-4	8.74	0	8.74	\$13,083.78
462060014-5	16.89	0	16.89	\$25,284.33
462090001-6	155.96	0	155.96	\$233,472.12
462110001-7	2.82	0	2.82	\$4,221.54
462110002-8	1.85	0	1.85	\$2,769.45
462110003-9	4.22	0	4.22	\$6,317.34
462110004-0	4.75	0	4.75	\$7,110.75
462110005-1	2.62	0	2.62	\$3,922.14
462110006-2	0.87	0	0.87	\$1,302.39
462110007-3	0.87	0	0.87	\$1,302.39
462120001-8	1.74	0	1.74	\$2,604.78
462120002-9	4.78	0	4.78	\$7,155.66
462120003-0	2.61	0	2.61	\$3,907.17
462120004-1	4.78	0	4.78	\$7,155.66
462120005-2	3.48	0	3.48	\$5,209.56
462120006-3	0.87	0	0.87	\$1,302.39
462120012-8	0.87	0	0.87	\$1,302.39
462120014-0	0.52	0	0.52	\$778.44
462120015-1	1.74	0	1.74	\$2,604.78
462120016-2	4.20	0	4.2	\$6,287.40
462120038-2	0.35	0	0.35	\$523.95
466340006-1	18.86	0	18.86	\$28,233.42
466340007-2	19.23	0	19.23	\$28,787.31
466340008-3	18.81	0	18.81	\$28,158.57
466340009-4	19.22	0.41	18.81	\$28,158.57
466340010-4	19.66	14.1	5.56	\$8,323.32
466340011-5	19.1	14.32	4.78	\$7,155.66
466340012-6	19.42	5.16	14.26	\$21,347.22

Initial Taxable Property (Fiscal Year 2007-2008)	Acres	TOPO/GEO Challenged Acreage	Initial Taxable Acres	Initial Maximum Special Tax (\$1,497)
(1)	(2)	(3)	(4)	(5)
466340013-7	21.44	19.61	1.83	\$2,739.51
466340014-8	22.68	22.5	0.18	\$269.46
466340015-9	24.12	23.95	0.17	\$254.49
466340016-0	18.73	0	18.73	\$28,038.81
466340017-1	31.57	0	31.57	\$47,260.29
466340018-2	18.92	0	18.92	\$28,323.24
466340019-3	18.31	0	18.31	\$27,410.07
466340020-3	17.66	0	17.66	\$26,437.02
466350018-3	156.12	14.81	141.31	\$211,541.07
333200053-9	58.41	0	58.41	\$87,439.77
461150010-2	31.81	0	31.81	\$47,619.57
461150012-4	108.19	0.84	107.35	\$160,702.95
461160017-0	4.84	0	4.84	\$7,245.48
461160014-7	37.95	15.39	22.56	\$33,772.32
461160030-1	56.74		56.74	\$84,939.78
461160035-6	20.95	6.15	14.8	\$22,155.60
461220003-2	30.15		30.15	\$45,134.55
461220004-3	31.1		31.1	\$46,556.70
461220005-4	18.09		18.09	\$27,080.73
461220006-5	22.58	22.58	0	\$0.00
461220007-6	32.87		32.87	\$49,206.39
461220010-8	21.91		21.91	\$32,799.27
461220012-0	11.99	0	11.99	\$17,949.03
461200037-1	36.94	0	36.94	\$55,299.18

* For each Fiscal Year following Fiscal Year 2007-2008, the Initial Maximum Special Tax shall increase by an amount equal to 2.00% of the tax rate in effect for the prior Fiscal Year.

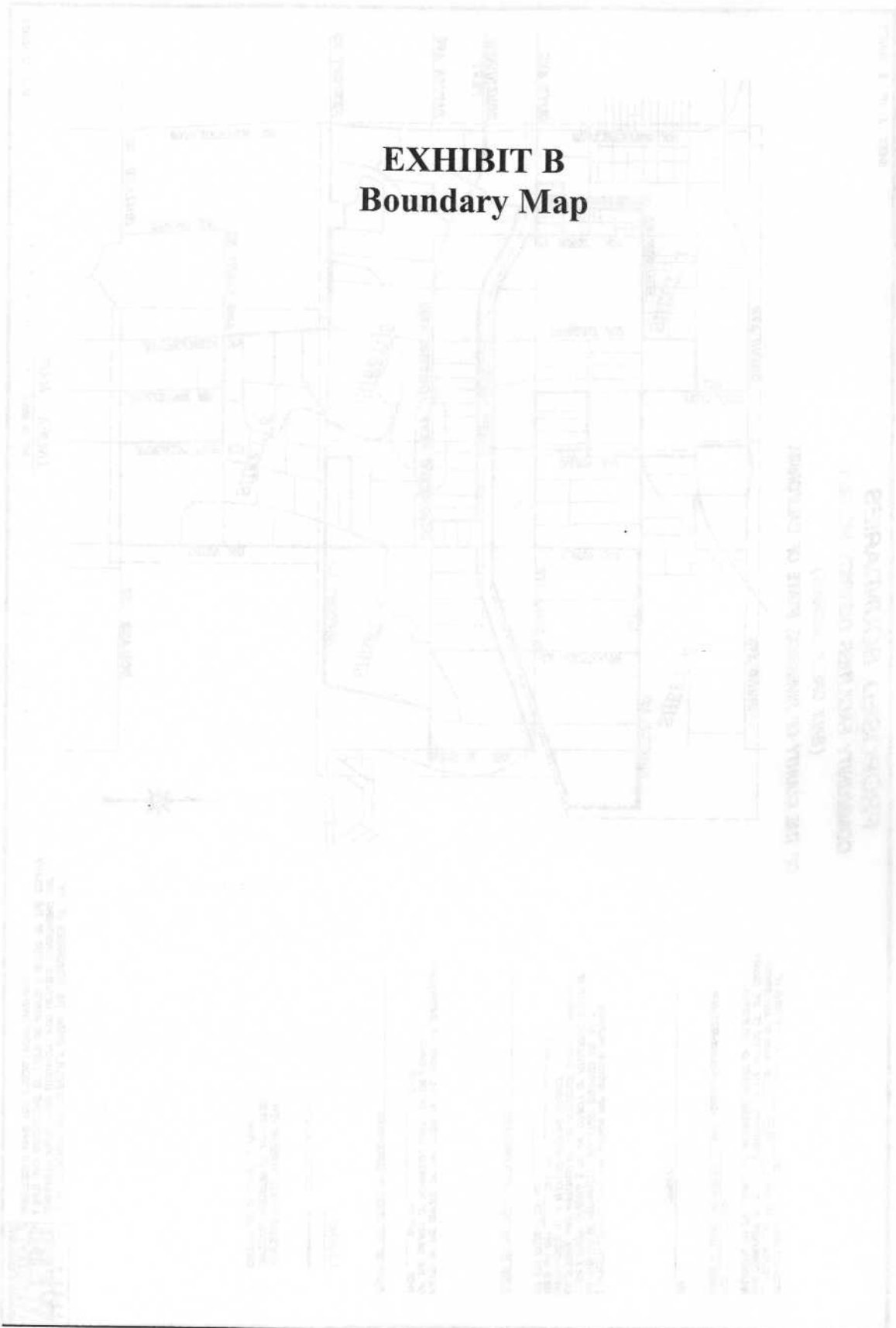
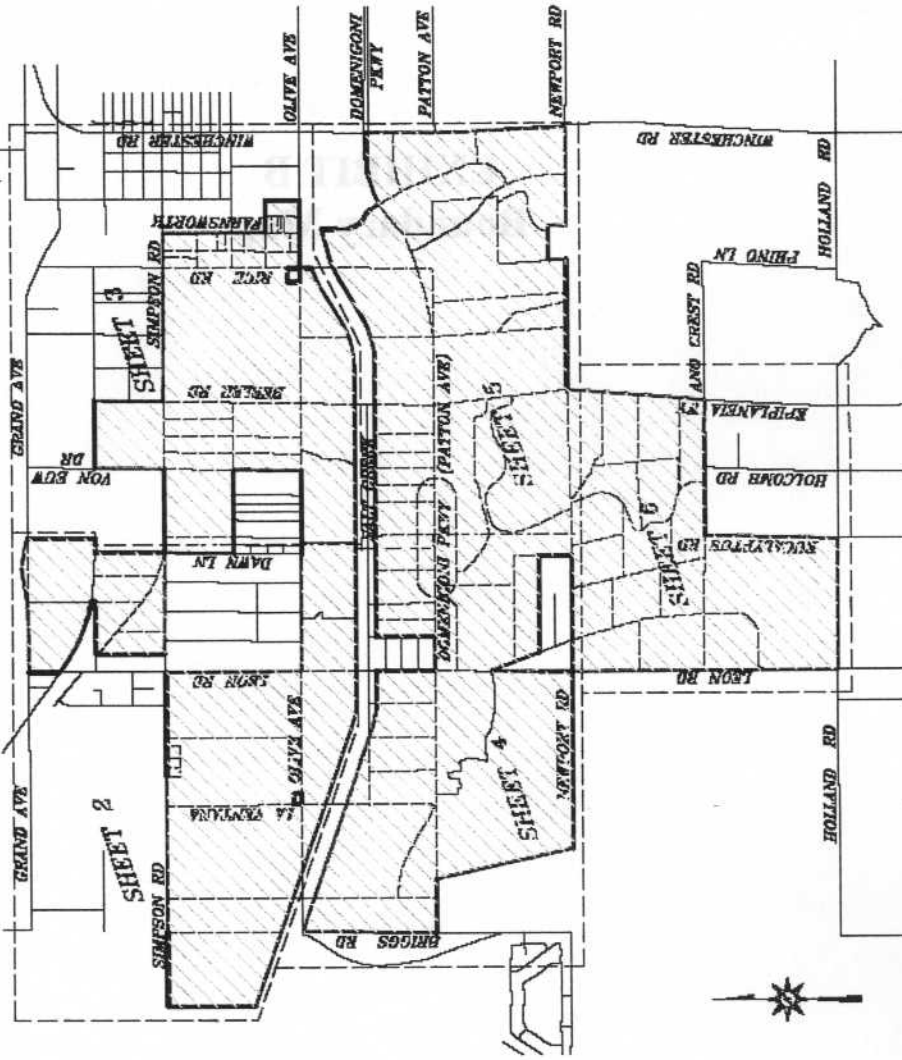


EXHIBIT B Boundary Map

**PROPOSED BOUNDARIES
COMMUNITY FACILITIES DISTRICT NO. 05-1
(SALT CREEK BRIDGES)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



RECORDED THIS DAY OF _____ 2006 AT THE HOUR OF _____
CLERK IN THE OFFICE OF THE COUNTY CLERK AND COUNTY
RECORDS IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

BY: _____
LARRY N. WHEEL, RIVERSIDE COUNTY ASSESSOR-CLERK-RECORDER

NO. _____
DEPUTY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED
BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 05-1
SALT CREEK BRIDGES I, OF THE COUNTY OF RIVERSIDE, STATE OF
CALIFORNIA, WAS APPROVED BY THE RIVERSIDE COUNTY BOARD OF
SUPERVISORS AT A REGULAR MEETING HELD ON THE DAY OF _____, 2006
BY ITS RESOLUTION NO. _____

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 DAY OF _____, 2006

CLERK OF THE BOARD OF SUPERVISORS

LEGEND
_____ DISTRICT BOUNDARY

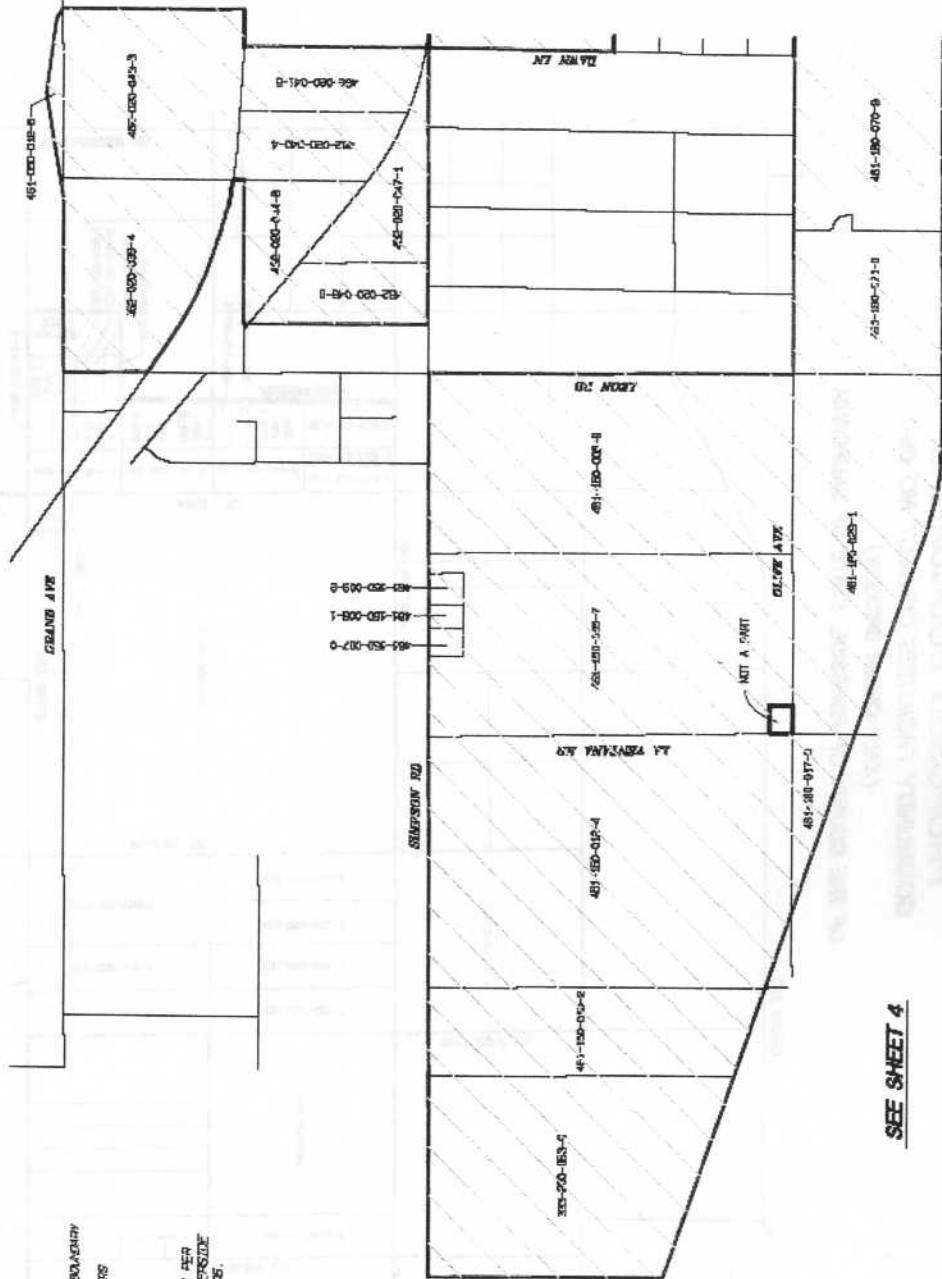
ASSESSOR PARCELS NUMBERS PER
OFFICIAL RECORDS OF RIVERSIDE
COUNTY AS OF JUNE 1, 2006.

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 2005-2006.



INDEX MAP
NOT TO SCALE

PROPOSED BOUNDARIES
COMMUNITY FACILITIES DISTRICT NO. 05-1
(SALT CREEK BRIDGES)
OF THE COUNTY OF RIVERSIDE STATE OF CALIFORNIA



LEGEND

— DISTRICT BOUNDARY

— APN NUMBERS

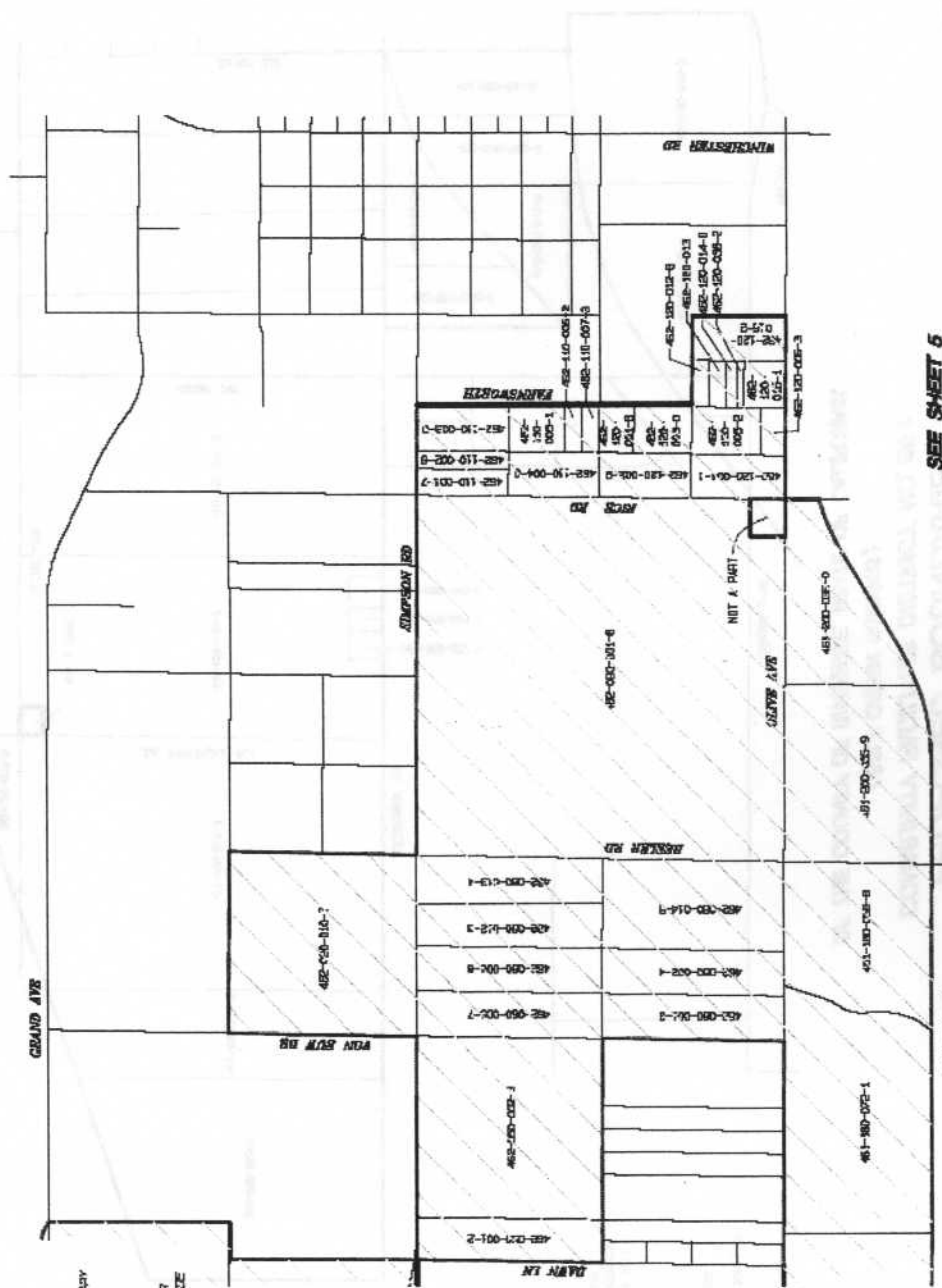
ASSASSOR PARCEL NUMBERS PER
OFFICIAL RECORDS OF RIVERSIDE
COUNTY AS OF JUNE 1, 2006.

SEE SHEET 3

SEE SHEET 4



**PROPOSED BOUNDARIES
COMMUNITY FACILITIES DISTRICT NO. 05-1
(SALT CREEK BRIDGES)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



LEGEND
--- DISTRICT BOUNDARY
--- 05-1-005-789 ARN NUMBERS
ASSESSOR PARCEL NUMBERS PER
OFFICIAL RECORDS OF RIVERSIDE
COUNTY AS OF JUNE 1, 2006.

SEE SHEET 2

**ALBERT A.
WEBB
ASSOCIATES**
INCORPORATED

SEE SHEET 5

**PROPOSED BOUNDARIES
COMMUNITY FACILITIES DISTRICT NO. 05-1
(SALT CREEK BRIDGES)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

LEGEND
— DISTRICT BOUNDARY
— 05-789 APN NUMBERS

ASSESSOR PARCEL NUMBERS PER
OFFICIAL RECORDS OF RIVERSIDE
COUNTY AS OF JUNE 1, 2006.



SEE SHEET 2

SEE SHEET 5

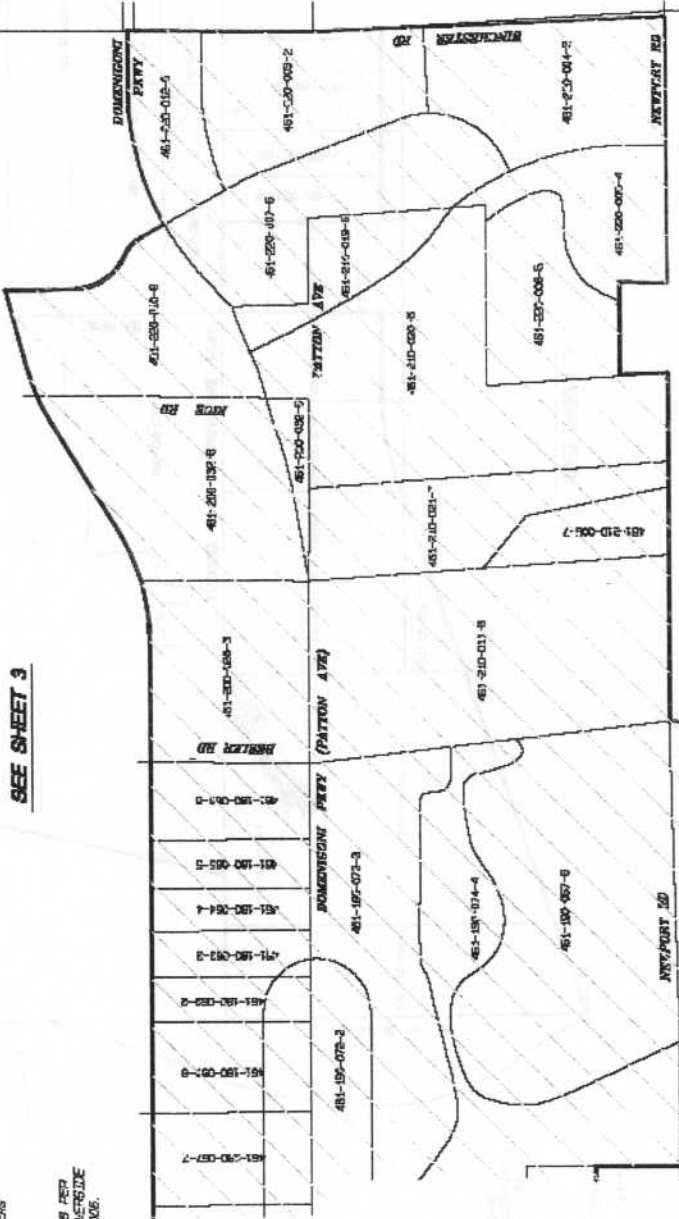
SEE SHEET 6



**PROPOSED BOUNDARIES
COMMUNITY FACILITIES DISTRICT NO. 05-1
(SALT CREEK BRIDGES)
OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

LEGEND
--- DISTRICT BOUNDARY
--- APN NUMBERS

ASSESSOR PARCELS MAPS PER
OFFICIAL RECORDS OF RIVERSIDE
COUNTY AS OF JUNE 1, 2006.



SEE SHEET 3

SEE SHEET 4

SEE SHEET 6



EXHIBIT C
(FORM OF ADDENDUM TO BE RECORDED)

ASSIGNED SPECIAL TAXES

Land Use Category	Taxable Parcel/Acre	Assigned Special Tax Per Parcel/Acre
1 - Single Family Property	Parcel	\$ -
2. - Multifamily Property	Acre	\$-
3 - Non - Residential Property	Acre	\$-

* For each Fiscal Year following Fiscal Year following 2007-2008, such Assigned Special Tax shall increase by an amount equal to 2.00% of the Assigned Special Tax in effect for the prior Fiscal Year.

EXHIBIT "D"
CFD 05-1 (SALT CREEK BRIDGES)
CFD EXEMPTION

That portion of the west half of the southwest quarter of Section 33, Township 5 South, Range 2 West, San Bernardino Meridian, in the County of Riverside, California, also being a portion of Parcel 2 of Lot Line Adjustment No. 4964 recorded May 24, 2006 as Instrument No. 2006-0374955, Grant Deed recorded May 24, 2006 as Instrument No. 2006-0374958, said portion being described as follows:

COMMENCING at the southwest corner of said Section 33, said corner also being the southwest corner of said Parcel 2;

Thence North 05°12'06" West along the westerly line of said Section 33 and along the westerly line of said Parcel 2, a distance of 1163.88 feet to a point thereon;

Thence North 84°47'54" East, perpendicular to said westerly line, a distance of 274.92 feet to the **TRUE POINT OF BEGINNING**;

Thence North 60°57'54" East, a distance of 241.72 feet;

Thence North 00°28'14" East, a distance of 216.57 feet to the beginning of a non-tangent curve, concave to the north, having a radius of 628.00 feet, the radial line from said point bears North 00°28'14" East;

Thence easterly along said curve, to the left, through a central angle of 00°45'05", an arc distance of 8.23 feet;

Thence North 89°43'09" East, a distance of 202.54 feet to the beginning of a tangent curve, concave to the north, having a radius of 1028.00 feet;

Thence easterly along said curve, to the left, through a central angle of 00°44'46", an arc distance of 13.39 feet;

Thence South 01°01'37" East radial to said curve, a distance of 35.00 feet;

Thence North 88°58'23" East, a distance of 19.21 feet;

Thence South 13°23'01" East, a distance of 403.95 feet;

Thence South 28°06'16" West, a distance of 145.05 feet to the beginning of a non-tangent curve, concave to the south, having a radius of 100.00 feet, the radial line from said point bears South 12°52'05" West;

Thence westerly along said curve, to the left, through a central angle of 20°18'05", an arc distance of 35.43 feet, to the beginning of a compound curve, concave to the south, having a radius of 441.20 feet, the radial line from said point bears South 07°26'00" East;

Thence westerly along said curve, to the left, through a central angle of 09°07'45", an arc distance of 70.30 feet to the beginning of a reverse curve, concave to the northeast, having a radius of 250.91 feet, the radial line from said point bears North 16°33'45" West;

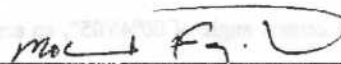
Thence westerly and northwesterly along said curve, to the right, through a central angle of 82°41'08", an arc distance of 362.09 feet to the beginning of a reverse curve, concave to the southwest, having a radius of 229.55 feet, the radial line from said point bears South 66°07'23" West;

Thence northwesterly along said curve to the left, through a central angle of 30°52'36", an arc distance of 123.70 feet to the **TRUE POINT OF BEGINNING**, the radial line from said point bears South 35°14'48" West.

Containing 4.68 acres, more or less.

SEE PLAT ATTACHED HERETO AND MADE A PART HEREOF

PREPARED UNDER MY SUPERVISION


Mohammad A. Faghghi, L.S. 6607

7/18/06
Date





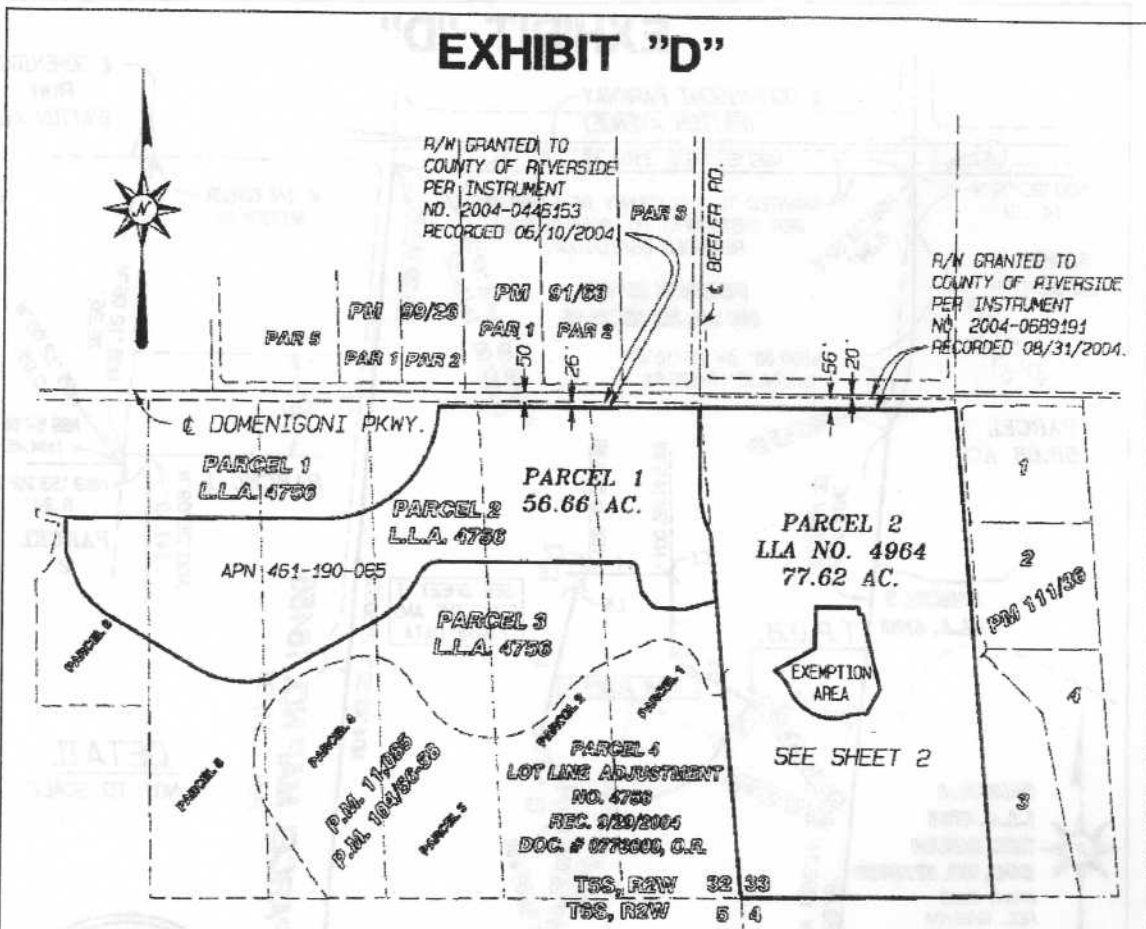
Prepared By: 
Checked By: 

EXHIBIT "D"



ALBERT A.
WEBB
ASSOCIATES
ENGINEERING CONSULTANTS



SEC 33, T.5 S., R.2 W., S.B.M.

COUNTY OF RIVERSIDE, CALIFORNIA

File #G:\2005\05-0205\CFD Exemption Exhibit.pro

DATE PREPARED 7/18/2006

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. ALL PRIMARY CALLS ARE LOCATED IN THE WRITTEN DESCRIPTION.

SHEET 1 OF 3

W.O.
02-424

SCALE: 1" = 800'

DRWN BY *Jim* DATE 7/18/06
CHKD BY *John* DATE 7/18/06

SUBJECT: CFD EXEMPTION EXHIBIT

EXHIBIT "D"

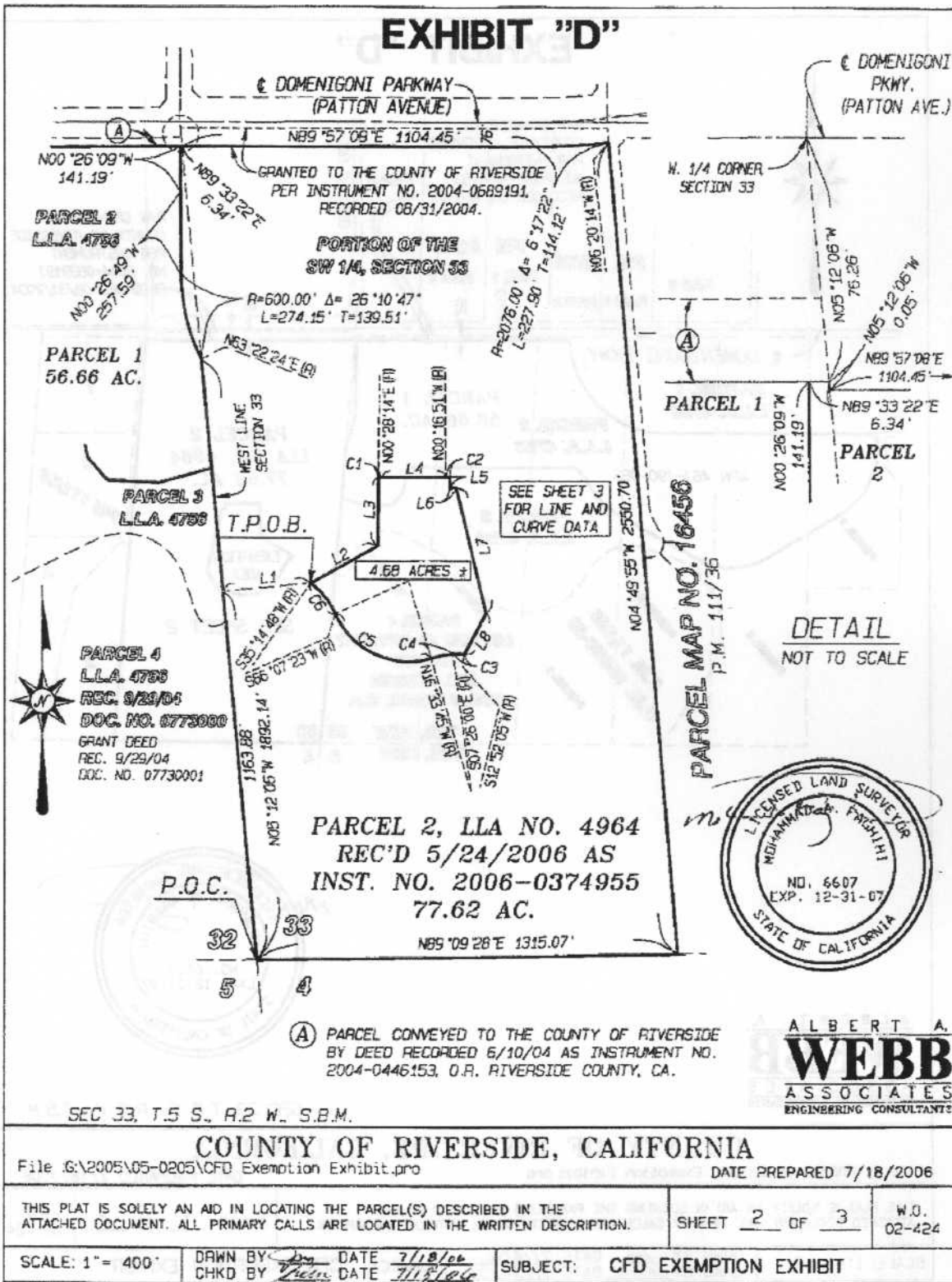


EXHIBIT "D"

LINE DATA

LINE	BEARING	DISTANCE
L1	N84°47'54"E	274.92'
L2	N60°57'54"E	241.72'
L3	N00°28'14"E	216.57'
L4	N89°43'09"E	202.54'
L5	S01°01'37"E	35.00'
L6	N88°58'23"E	19.21'
L7	S13°23'01"E	403.95'
L8	S28°06'16"W	145.05'

CURVE DATA

CURVE	RADIUS	DELTA	LENGTH	TANGENT
C1	628.00'	0°45'05"	6.23'	4.12'
C2	1028.00'	0°44'46"	13.39'	6.59'
C3	100.00'	20°18'05"	35.43'	17.90'
C4	441.20'	9°07'45"	70.30'	35.22'
C5	250.91'	82°41'08"	362.09'	220.76'
C6	229.55'	30°52'36"	123.70'	63.39'



ALBERT A.
WEBB
 ASSOCIATES
 ENGINEERING CONSULTANTS

SEC 33, T.5 S., R.2 W., S.B.M.

COUNTY OF RIVERSIDE, CALIFORNIA

File :G:\2005\05-0205\CFD Exemption Exhibit.dwg

DATE PREPARED 7/18/2006

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. ALL PRIMARY CALLS ARE LOCATED IN THE WRITTEN DESCRIPTION.

SHEET 3 OF 3

W.O.
02-424

DRWN BY *[Signature]* DATE 7/18/06
 CHKD BY *[Signature]* DATE 7/18/06

SUBJECT: CFD EXEMPTION EXHIBIT

RESOLUTION NO. 2006-299

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF RIVERSIDE TO INCUR BONDED
INDEBTEDNESS OF THE PROPOSED COMMUNITY
FACILITIES DISTRICT NO. 05-1 (SALT CREEK BRIDGES)
OF THE COUNTY OF RIVERSIDE AND SETTING A DATE
AND TIME FOR A PUBLIC HEARING THEREON**

Community Facilities District No. 05-1 (Salt Creek Bridges)

WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of Riverside (the "County") has this date adopted its Resolution entitled "Resolution of the Board of Supervisors of the County of Riverside of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes and Setting a Date and Time for a Public Hearing Thereon," stating its intention to establish Community Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982 for the purpose of financing certain public facilities (the "Facilities"), as further provided in said Resolution; and

WHEREAS, in order to finance the Facilities it is necessary to incur bonded indebtedness in the amount of up to \$45,000,000;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, in regular session assembled on August 29, 2006, does hereby resolve, find, determine and order as follows:

Section 1. The Board of Supervisors hereby declares that in order to finance the Facilities, it is necessary to incur bonded indebtedness.

Section 2. The purpose for which the proposed debt is to be incurred is to provide the funds necessary to pay the costs of the Facilities, including construction costs and all costs incidental to, or connected with, the accomplishment of said purpose and of the financing thereof, as permitted by Section 53345.3 of the California Government Code.

Section 3. The maximum amount of the proposed debt is \$45,000,000.

1 **Section 4.** The Board of Supervisors hereby fixes Tuesday, October 3, 2006, at
2 9:30 a.m., or as soon thereafter as the Board of Supervisors may reach the matter, at the Board of
3 Supervisors Chambers, 4080 Lemon Street, 1st Floor, Riverside, California, as the time and place
4 when and where the Board of Supervisors will conduct a public hearing on the proposed debt
5 issue.

6 **Section 5.** The Clerk to the Board of Supervisors is hereby directed to publish, or
7 cause to be published, a notice of said public hearing, as prepared and approved by bond counsel,
8 one time in *The Press-Enterprise*, a newspaper of general circulation published in the area of the
9 Community Facilities District. The publication of said notice shall be completed at least seven
10 days prior to the date herein fixed for said hearing. Said notice shall contain the information
11 prescribed by Section 53346 of the California Government Code.

12 **Section 6.** The officers of the County are, and each of them is, hereby authorized and
13 directed to do any and all things, and to execute and deliver any and all documents which said
14 officers may deem necessary or advisable in order to accomplish the purposes of this Resolution
15 and not inconsistent with the provisions hereof.

16 **ADOPTED, SIGNED AND APPROVED** this 29th day of August, 2006, by the Board
17 of Supervisors of the County of Riverside.

18 

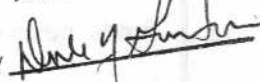
19 Chairman of the Board of Supervisors
20 Bob Buster

21 ATTEST:
22 Nancy Romero
23 Clerk to the Board of Supervisors

24 By 
25 Deputy

26 FORM APPROVED
27 COUNTY COUNSEL

28 AUG 14 2006

BY 

1 STATE OF CALIFORNIA)
2 COUNTY OF RIVERSIDE)

ss.

3
4 I, Nancy Romero, Clerk to the Board of Supervisors of the County of Riverside,
5 California, do hereby certify that the foregoing Resolution No. 2006-299 was duly adopted by the
6 Board of Supervisors of said County at a meeting of said Board held on the 29th day of August,
7 2006, and that it was so adopted by the following vote:

- 8 AYES: Buster, Tavaglione, Stone and Wilson
- 9 NOES: None
- 10 ABSTAIN: None
- 11 ABSENT: Ashley


Deputy
Clerk to the Board of Supervisors of the
County of Riverside

28

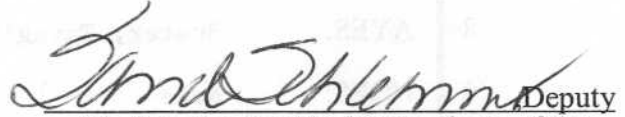
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STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE)

ss.

I, Nancy Romero, Clerk to the Board of Supervisors of the County of Riverside, California, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 2006-299 of the Board of Supervisors of said County, and that the same has not been amended or repealed.

Dated: AUG 29 2006


Deputy
Clerk to the Board of Supervisors of the
County of Riverside