

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

649



FROM: COUNTY EXECUTIVE OFFICE

SUBMITTAL DATE:
October 24, 2006


SUBJECT: Community Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside – Modification of Resolution to Incur Bonded Indebtedness and Establishment of the CFD.

RECOMMENDED MOTION: That during the public hearing, the Board 1) adopt Resolution No. 2006-455 to modify the Resolution to Incur Bonded Indebtedness by increasing the maximum amount of Indebtedness from \$45,000,000 to \$50,000,000, and after closing the public hearing, 2) adopt Resolution No. 2006-456 establishing Community Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside, authorizing the levy of a special tax within said District, establishing an appropriations limit for said District, and making certain findings with regard to the California Environmental Quality Act.

BACKGROUND: On August 29, 2006, the Board of Supervisors adopted Resolution No. 2006-298 declaring its intent to form Community Facilities District No. 05-1 of the County of Riverside ("CFD 05-1"), and calling a public hearing for October 3, 2006. The Board also adopted Resolution No. 2006-299 declaring its intent to incur bonded indebtedness in an amount not to exceed \$45,000,000 within the proposed boundaries of CFD 05-1. On October 3, 2006 the Board continued the public hearing to October 31, 2006. On October 31, 2006 the Board further continued the public hearing to this date.

(continued on page 2)

Departmental Concurrence


Jerry Norris, Principal Management Analyst

FORM APPROVED
COUNTY COUNSEL

NOV 23 2006

BY 

| | | | | |
|-----------------------|-------------------------------|--------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ N/A | In Current Year Budget: | N/A |
| | Current F.Y. Net County Cost: | \$ N/A | Budget Adjustment: | N/A |
| | Annual Net County Cost: | \$ N/A | For Fiscal Year: | 2006/07 |

| | | |
|-----------------------------|---|--------------------------|
| SOURCE OF FUNDS: N/A | 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 

- Policy
- Policy
- Consent
- Consent

Dept's Recomm.:
Per Exec. Ofc.:

RECEIVED
COUNTY OF RIVERSIDE
OCT 24 2006

Prior to concluding the public hearing, staff is requesting that the Board adopt Resolution No. 2006-455 authorizing the modification of the Resolution to Incur Bonded Indebtedness so as to increase the maximum amount of authorized Indebtedness from \$45,000,000 to \$50,000,000.

On November 15, 2005, the Board considered Environmental Assessment No. 39973 that considered the potential environmental effects of the Facilities proposed to be financed by a CFD, and adopted a Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program. These actions by the Board fully comply with the California Environmental Quality Act ("CEQA").

At the conclusion of today's public hearing, provided there is not a majority protest of the registered voters or the land owners within CFD 05-1, staff requests that the Board adopt Resolution No. 2006-456 establishing CFD 05-1, approving the special tax, establishing an annual appropriations limit and making certain findings with regard to CEQA.

The adoption of Resolution No. 2006-456 in conjunction with the Legislative Body's adoption of Resolution No. CFD 2006-24 and Resolution No. CFD 2006-25, at the conclusion of the public hearing, is consistent with applicable provisions of the Act and determines the need for CFD 05-1 to incur bonded indebtedness in an aggregate principal amount not to exceed \$50,000,000 and calls a special election for March 20, 2007 to consider the proposition of whether CFD 05-1 should levy a special tax consistent with the rate and method of apportionment, incur bonded indebtedness in an aggregate principal amount not to exceed \$50,000,000, and establish an appropriations limit for CFD 05-1.

A copy of the boundary map of CFD 05-1 is hereby provided in Exhibit B to the Rate and Method of Apportionment (the "RMA"), which is Exhibit A to Resolution No. 2006-456. The boundary map is composed of non-contiguous parcels generally located in the area north and south of Salt Creek between Highway 79 and Interstate 215, and was recorded on September 12, 2006, in book 67, pages 81-86 of Maps of Assessment and Community Facilities Districts as Instrument No. 2006-0674500.

The Registrar of Voters for the County of Riverside has filed with the Clerk of the Board of Supervisors a certificate that states that there have been fewer than 12 registered voters residing on the property within the boundaries of CFD 05-1 for one or more of the 90 days preceding the date of the public hearing. By the terms of the Act, this determination means that the qualified electors at the special election are the owners of property within the boundaries of CFD 05-1 with each land owner receiving one vote for each acre of land or portion thereof that it owns.

It is the intent of the County that CFD 05-1 will issue bonds to fund the public facilities and incidental expenses described under the caption "Facilities and Incidental Expenses" on the Exhibit A to Resolution No. 2006-456.

There is one proposition that will be voted on by the qualified electors: (i) should CFD 05-1 be able to incur bonded indebtedness in an aggregate principal amount not to exceed \$50,000,000, levy a special tax within its boundaries consistent with the terms of the Rate and Method of Apportionment, and establish an annual appropriations limit of \$50,000,000.

2
3 **RESOLUTION NO. 2006-455**

4 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE**
5 **COUNTY OF RIVERSIDE MODIFYING RESOLUTION NO. 2006-299**
6 **A RESOLUTION TO INCUR BONDED INDEBTEDNESS IN THE**
7 **PROPOSED COMMUNITY FACILITIES DISTRICT NO. 05-1 (SALT**
8 **CREEK BRIDGES) OF THE COUNTY OF RIVERSIDE**

9 **WHEREAS**, on August 29, 2006, the Board of Supervisors (the "Board of Supervisors") of the
10 County of Riverside (the "County"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the
11 "Act"), commencing with Section 53311 of the California Government Code (the "Government Code"),
12 adopted Resolution No. 2006-298, stating its intention to establish a community facilities district (the
13 "Community Facilities District"), proposed to be named Community Facilities District No. 05-1 (Salt
14 Creek Bridges) of the County of Riverside, and to authorize the levy of special taxes to finance certain
15 public facilities;

16 **WHEREAS**, on August 29, 2006, the Board of Supervisors also adopted Resolution No. 2006-
17 299 (the "Resolution to Incur Bonded Indebtedness") declaring the necessity for incurring bonded
18 indebtedness, stating that the maximum amount of the proposed debt is \$45,000,000 and setting October
19 3, 2006 as the date for a public hearing to be held on the proposed debt issue;

20 **WHEREAS**, pursuant to the Resolution to Incur Bonded Indebtedness, notice of said public
21 hearing was published in *The Press-Enterprise* on September 24, 2006, and mailed by first class mail,
22 postage prepaid to all registered voters and landowners within the Community Facilities District on
23 September 15, 2006, in accordance with the Act;

24 **WHEREAS**, on October 3, 2006, said public hearing was opened and continued to October 31,
25 2006;

26 **WHEREAS**, on October 31, 2006, said public hearing was opened and continued to this date;

27 **WHEREAS**, on this date, the Board of Supervisors opened said public hearing, as required by the
28 Act and the Resolution to Incur Bonded Indebtedness;

WHEREAS, it has been proposed that the maximum amount of the bonded indebtedness of the
proposed Community Facilities District be increased to \$50,000,000;

CLERK'S CERTIFICATE

I, Nancy Romero, Clerk to the Board of Supervisors of the County of Riverside, California, do hereby certify that the foregoing Resolution No. 2006-455 was duly adopted by the Board of Supervisors of said County at a meeting of said Board held on the 5th day of December, 2006, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County of Riverside this ____ day of _____, 2006.

By: _____
Deputy Clerk

CLERK'S CERTIFICATE

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. 2006-455 of the Board of Supervisors of said County, and that the same has not been amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County of Riverside this ____ day of _____, 2006.

By: _____
Deputy Clerk

2
3 **RESOLUTION NO. 2006-456**

4 **RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF**
5 **RIVERSIDE ESTABLISHING COMMUNITY FACILITIES DISTRICT NO.**
6 **05-1 (SALT CREEK BRIDGES) OF THE COUNTY OF RIVERSIDE,**
7 **AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID**
8 **DISTRICT, ESTABLISHING AN APPROPRIATIONS LIMIT FOR SAID**
9 **DISTRICT, AND MAKING CERTAIN FINDINGS WITH REGARD TO**
10 **THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

11 **WHEREAS**, on August 29, 2006, the Board of Supervisors (the "Board of Supervisors") of the
12 County of Riverside (the "County"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the
13 "Act"), commencing with Section 53311 of the California Government Code (the "Government Code"),
14 adopted Resolution No. 2006-298 (the "Resolution of Intention"), stating its intention to establish a
15 community facilities district (the "Community Facilities District"), proposed to be named Community
16 Facilities District No. 05-1 (Salt Creek Bridges) of the County of Riverside, and to authorize the levy of
17 special taxes to finance certain public facilities and setting October 3, 2006 as the date for a public
18 hearing to be held on the establishment of the Community Facilities District;

19 **WHEREAS**, pursuant to the Resolution of Intention, notice of such public hearing was published
20 in *The Press-Enterprise* on September 24, 2006, and mailed by first class mail, postage prepaid to all
21 registered voters and landowners within the Community Facilities District on September 15, 2006, in
22 accordance with the Act;

23 **WHEREAS**, on October 3, 2006, said public hearing was opened and continued to October 31,
24 2006;

25 **WHEREAS**, on October 31, 2006, said public hearing was opened and continued to this date;

26 **WHEREAS**, on this date, the Board of Supervisors conducted and closed said public hearing;

27 **WHEREAS**, pursuant to the Resolution of Intention, each officer of the County who is or will be
28 responsible for providing one or more of the proposed types of public facilities was directed to study, or
cause to be studied, the proposed Community Facilities District and, at or before said public hearing, file
a report with the Board of Supervisors containing a brief description of the public facilities by type which
will in his or her opinion be required to adequately meet the needs of the Community Facilities District,

1 and his or her estimate of the cost of providing the public facilities proposed to be financed by the
2 Community Facilities District and the fair and reasonable cost of the incidental expenses proposed to be
3 paid;

4 **WHEREAS**, said report was so filed with the Board of Supervisors and made a part of the record
5 of said public hearing;

6 **WHEREAS**, at said public hearing, the testimony of all interested persons and taxpayers for or
7 against the establishment of the Community Facilities District and the furnishing of specified types of
8 public facilities were received and a full and fair hearing was held;

9 **WHEREAS**, at said public hearing, evidence was presented to the Board of Supervisors on the
10 matters before it, and the Board of Supervisors at the conclusion of the hearing was fully advised as to all
11 matters relating to the proposed establishment of the Community Facilities District and the furnishing of
12 specified types of public facilities;

13 **WHEREAS**, written protests against the establishment of the Community Facilities District, the
14 furnishing of any specified type or types of facilities within the Community Facilities District or the
15 levying of any specified special tax were not made or filed at or before the hearing by 50% or more of the
16 registered voters, or six registered voters, whichever is more, residing within the territory proposed to be
17 included in the Community Facilities District, or the owners of one-half or more of the area of land in the
18 territory proposed to be included in the Community Facilities District and not exempt from the special
19 tax;

20 **WHEREAS**, there has been filed with the Clerk to the Board of Supervisors a certification of the
21 Registrar of Voters of the County that, on September 12, 2006, which date is within the ninety-day period
22 preceding the close of said public hearing, less than 12 persons were registered to vote within the territory
23 proposed to be included in the Community Facilities District;

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

28 **WHEREAS**, Section 53314.9 of the Government Code further provides that the legislative body

1 may enter into an agreement, by resolution, with the person or entity advancing the funds or work in-kind,
2 to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost,
3 whichever is less, of the work in-kind, as determined by the legislative body, with or without interest,
4 under all the following conditions: (a) the proposal to repay the funds or the value or cost of the work in-
5 kind, whichever is less, is included in both the resolution of intention to establish a community facilities
6 district adopted pursuant to Section 53321 of the Government Code and in the resolution of formation to
7 establish a community facilities district pursuant to Section 53325.1 of the Government Code, (b) any
8 proposed special tax is approved by the qualified electors of the community facilities district pursuant to
9 the Act, (c) any agreement shall specify that if the qualified electors of the community facilities district do
10 not approve the proposed special tax, the local agency shall return any funds which have not been
11 committed for any authorized purpose by the time of the election to the person or entity advancing the
12 funds, and (d) any work in-kind accepted pursuant to Section 53314.9 of the Government Code shall have
13 been performed or constructed as if the work had been performed or constructed under the direction and
14 supervision, or under the authority of, the local agency;

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

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

23 **WHEREAS**, the Board of Supervisors, on November 15, 2005, considered Environmental
24 Assessment No. 39973 that considered the potential environmental effects of the Facilities proposed to be
25 financed by the Community Facilities District and adopted a Mitigated Negative Declaration and a
26 Mitigation Monitoring and Reporting Program;

27 **WHEREAS**, the County, the Riverside County Flood Control and Water Conservation District
28 (the “Flood Control District”) and Pulte Home Corporation (“Pulte”) have entered into a Joint

1 Community Facilities Agreement, dated as of June 1, 2006 (the "Flood Control District Agreement"), that
2 provides for the advancement of certain work in-kind by Pulte, for the acceptance of such work in-kind by
3 the Flood Control District and the County, for the use of such work in-kind by the Flood Control District
4 for its authorized purposes and for the reimbursement to Pulte of the value, or cost, whichever is less, of
5 such work in-kind from the proceeds of any special tax bonds issued by the Community Facilities
6 District;

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

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

18 **NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF**
19 **RIVERSIDE**, in regular session assembled on December 5, 2006, does hereby resolve, find, determine
20 and order as follows:

21 **Section 1.** The foregoing recitals are true and correct.

22 **Section 2.** The Community Facilities District is hereby established pursuant to the Act.

23 **Section 3.** The Community Facilities District is hereby named "Community Facilities District No.
24 05-1 (Salt Creek Bridges) of the County of Riverside."

25 **Section 4.** The public facilities (the "Facilities") proposed to be financed by the Community
26 Facilities District pursuant to the Act are described under the caption "Facilities" on Exhibit A hereto,
27 which is by this reference incorporated herein. The incidental expenses proposed to be incurred are
28 identified under the caption "Incidental Expenses" on Exhibit A hereto. All or any portion of the Facilities

1 may be financed through a financing plan, including, but not limited to, a lease, lease-purchase or
2 installment-purchase arrangement.

3 **Section 5.** The proposed special tax to be levied within the Community Facilities District has not
4 been precluded by majority protest pursuant to Section 53324 of the Government Code.

5 **Section 6.** Except where funds are otherwise available, a special tax sufficient to pay for all
6 Facilities, secured by recordation of a continuing lien against all nonexempt real property in the
7 Community Facilities District, will be annually levied within the Community Facilities District. The rate
8 and method of apportionment of the special tax (the "Rate and Method"), in sufficient detail to allow each
9 landowner within the proposed Community Facilities District to estimate the maximum amount that he or
10 she will have to pay, is described in Exhibit B attached hereto, which is by this reference incorporated
11 herein. The conditions under which the obligation to pay the special tax may be prepaid and permanently
12 satisfied are specified in the Rate and Method. The special tax will be collected in the same manner as
13 ordinary *ad valorem* property taxes or in such other manner as the Board of Supervisors shall determine,
14 including direct billing of the affected property owners.

15 **Section 7.** The tax year after which no further special tax will be levied against any parcel used
16 for private residential purposes is specified in the Rate and Method. Under no circumstances shall the
17 special tax levied against any parcel used for private residential purposes be increased as a consequence of
18 delinquency or default by the owner of any other parcel or parcels within the Community Facilities
19 District by more than 10%. For purposes of this paragraph, a parcel shall be considered "used for private
20 residential purposes" not later than the date on which an occupancy permit for private residential use is
21 issued.

22 **Section 8.** Pursuant to Section 53344.1 of the Government Code, the Board of Supervisors hereby
23 reserves to itself the right and authority to allow any interested owner of property within the Community
24 Facilities District, subject to the provisions of said Section 53344.1 and to those conditions as it may
25 impose, and any applicable prepayment penalties as prescribed in the bond indenture or comparable
26 instrument or document, to tender to the Community Facilities District treasurer in full payment or part
27 payment of any installment of the special taxes levied pursuant to the Rate and Method or the interest or
28 penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or

1 other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for
2 the accrued interest shown thereby computed to the date of tender.

3 **Section 9.** The name, address and telephone number of the office which will be responsible for
4 preparing annually a current roll of special tax levy obligations by assessor's parcel number and which
5 will be responsible for estimating further special tax levies pursuant to Section 53340.1 of the
6 Government Code are as follows: Community Facilities District Administrator, County Executive Office,
7 4080 Lemon Street, 4th Floor, Riverside, California 92506, (909) 955-1100.

8 **Section 10.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the
9 California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach
10 to all nonexempt real property in the Community Facilities District and this lien shall continue in force
11 and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in
12 accordance with law or until collection of the tax by the Board of Supervisors ceases.

13 **Section 11.** The boundary map of the Community Facilities District was recorded on September
14 12, 2006, in Riverside County in Book 67 at Page 81 through 86 of the Book of Maps of Assessment and
15 Community Facilities Districts in the Riverside County Recorder's Office, as Instrument No. 2006-
16 0674500.

17 **Section 12.** The annual appropriations limit, as defined by subdivision (h) of Section 8 of Article
18 XIII B of the California Constitution, of the Community Facilities District is hereby established at
19 \$50,000,000.

20 **Section 13.** Pursuant to the provisions of the Act, the levy of the special tax and a proposition to
21 establish the appropriations limit specified above shall be subject to the approval of the qualified electors
22 of the Community Facilities District at a special election. The Board of Supervisors hereby finds that, on
23 September 12, 2006, which date is within the ninety-day period preceding the close of the public hearing
24 on the establishment of the Community Facilities District, less than 12 persons were registered to vote
25 within the territory included in the Community Facilities District. Accordingly, pursuant to Section
26 53326 of the Government Code, the vote shall be by the landowners of the Community Facilities District
27 and each landowner who is the owner of record as of the close of said public hearing, or the authorized
28

1 representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within
2 the Community Facilities District. The voting procedure shall be by mailed or hand-delivered ballot.

3 **Section 14.** Newport Road Investors has heretofore advanced certain funds, and may advance
4 additional funds, to the County, which have been or may be used to pay costs of construction of the Water
5 and Sewer Lines. The Board of Supervisors proposes to repay all or a portion of such funds expended for
6 such purpose, from the proceeds of special tax bonds issued by the Community Facilities District,
7 pursuant to the Cooperative Agreement. The Cooperative Agreement is hereby incorporated herein as
8 though set forth in full herein.

9 **Section 15.** Pulte has heretofore advanced certain work in-kind, and may advance additional work
10 in-kind, to the Flood Control District. The Board of Supervisors proposes to repay the value or cost of
11 such work in-kind, whichever is less, from the proceeds of special tax bonds issued by the Community
12 Facilities District, pursuant to the Flood Control District Agreement. The Flood Control District
13 Agreement is hereby incorporated herein as though set forth in full herein.

14 **Section 16.** The Landowners have heretofore advanced certain work in-kind, and may advance
15 additional work in-kind, to EMWD. The Board of Supervisors proposes to repay the value or cost of such
16 work in-kind, whichever is less, from the proceeds of special tax bonds issued by the Community
17 Facilities District, pursuant to the EMWD Agreement. The EMWD Agreement is hereby incorporated
18 herein as though set forth in full herein.

19 **Section 17.** The potential environmental effects of the Facilities proposed to be financed by the
20 Community Facilities District were fully studied in Environmental Assessment No. 39973. Based
21 thereon, the Board of Supervisors adopted a Mitigated Negative Declaration and a Mitigation Monitoring
22 and Reporting Program on November 15, 2005. Formation of the Community Facilities District will not
23 result in any new significant environmental effects not identified in Environmental Assessment No.
24 39973, nor will it substantially increase the severity of the environmental effects identified in
25 Environmental Assessment No. 39973. In addition, no considerably different mitigation measures have
26 been identified and no mitigation measures found infeasible have become feasible. Accordingly, the
27 Board of Supervisors hereby finds that it has fully complied with the California Environmental Quality
28 Act and no further environmental documentation is required to form the Community Facilities District.

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.

EXHIBIT B

Community Facilities District No. 05-1 (Salt Creek Bridges)
of the County of Riverside

**PROPOSED
RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAX**

[See Attached 37 Pages]

**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.

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 2047-2048 or latest scheduled maturity of the Bonds, whichever is sooner.

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 _____, 2008 AT THE HOUR OF _____
O'CLOCK PM, IN BOOK _____ PAGE _____ OF THE PUBLIC RECORDS
AND COMMUNITY FACILITIES DISTRICTS, IN THE OFFICE OF THE COUNTY
RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE: _____ NO. _____
LARRY N. WAHL, RIVERSIDE COUNTY ASSESSOR-CLERK-RECORDER

BY: _____
DEPUTY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED
BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 05-1
IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS
PREPARED AND PASSED BY THE COUNTY BOARD OF SUPERVISORS AT A REGULAR MEETING HELD ON THE _____ DAY OF _____, 2008
BY ITS RESOLUTION NO. _____

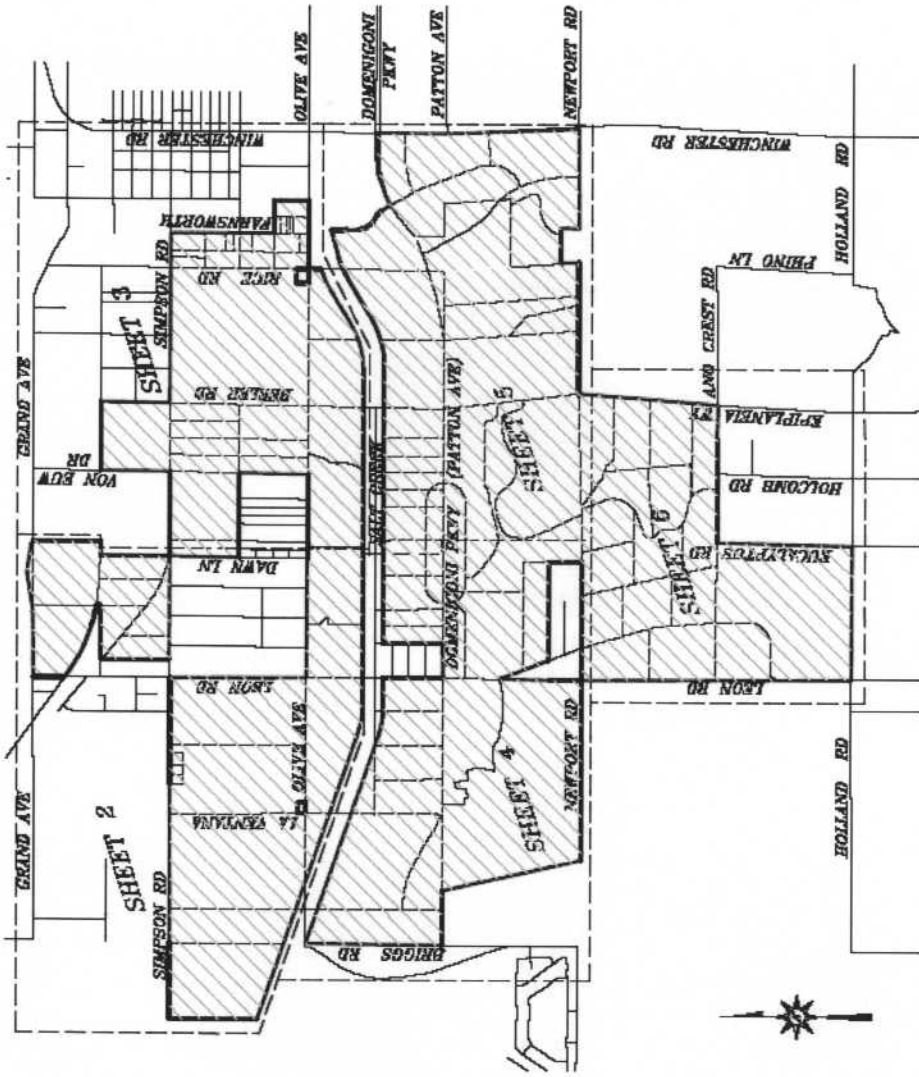
CLERK OF THE BOARD OF SUPERVISORS

FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS
IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
THIS _____ DAY OF _____, 2008

CLERK OF THE BOARD OF SUPERVISORS

LEGEND
—— DISTRICT BOUNDARY

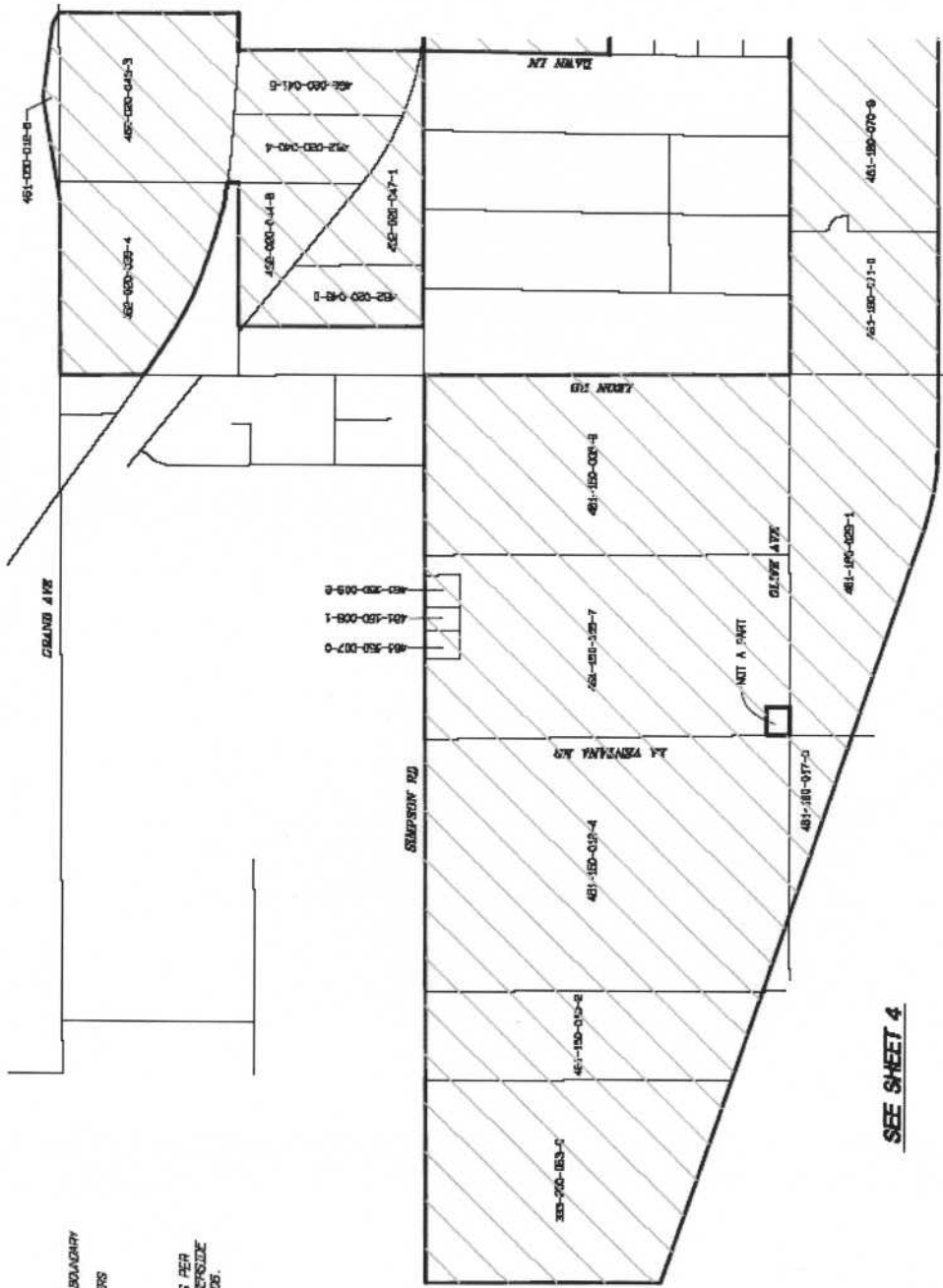
ASSESSOR PARCEL NUMBERS PER
OFFICIAL RECORDS OF RIVERSIDE
COUNTY AS OF JUNE 1, 2006.



INDEX MAP
NOT TO SCALE

ALBERT A. WEBB
REGISTERED PROFESSIONAL LAND SURVEYOR
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 2008-2009.

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 PARCEL NUMBERS PER OFFICIAL RECORDS OF RIVERSIDE COUNTY AS OF JUNE 1, 2008.

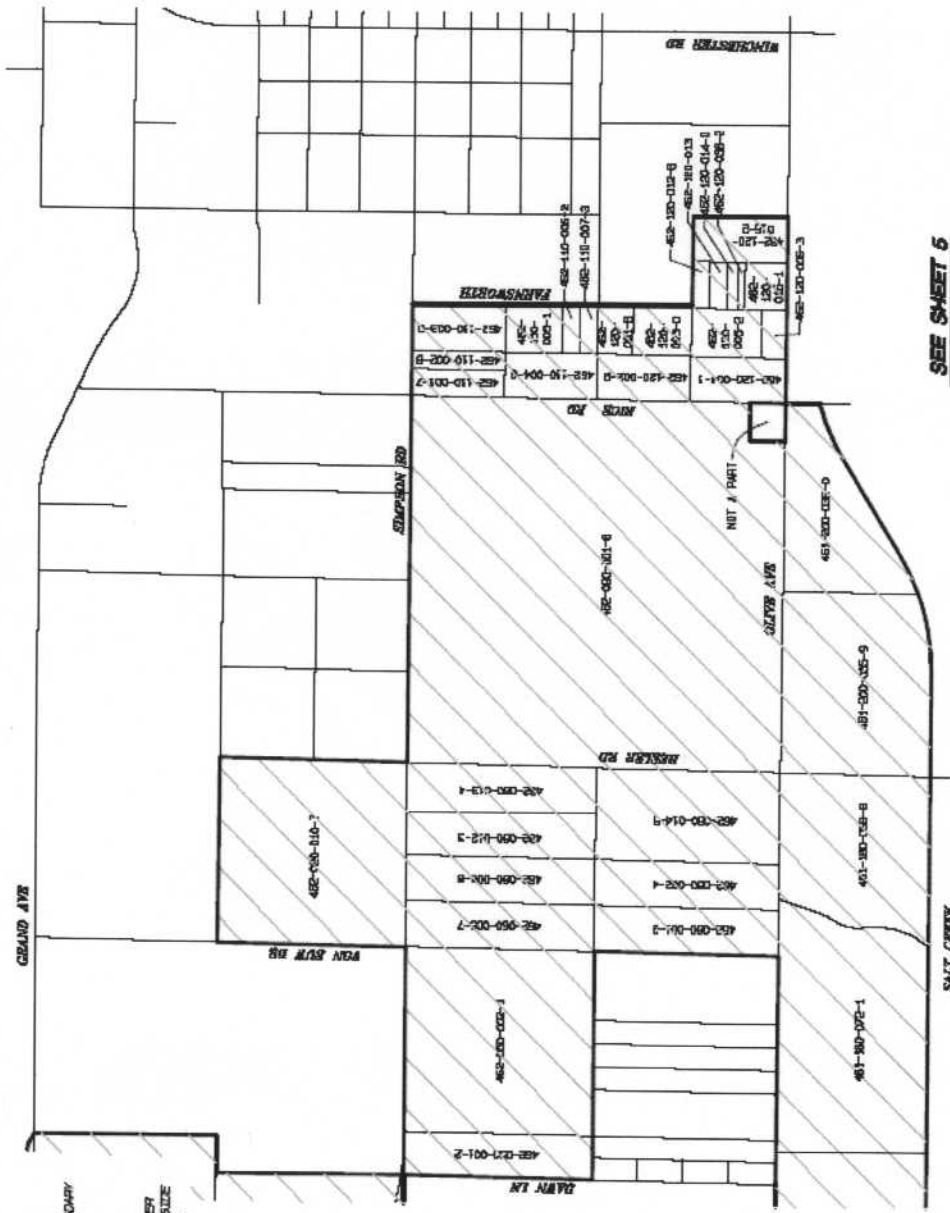
SEE SHEET 3



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

423-482-788 A/RV NUMBERS

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

SEE SHEET 2

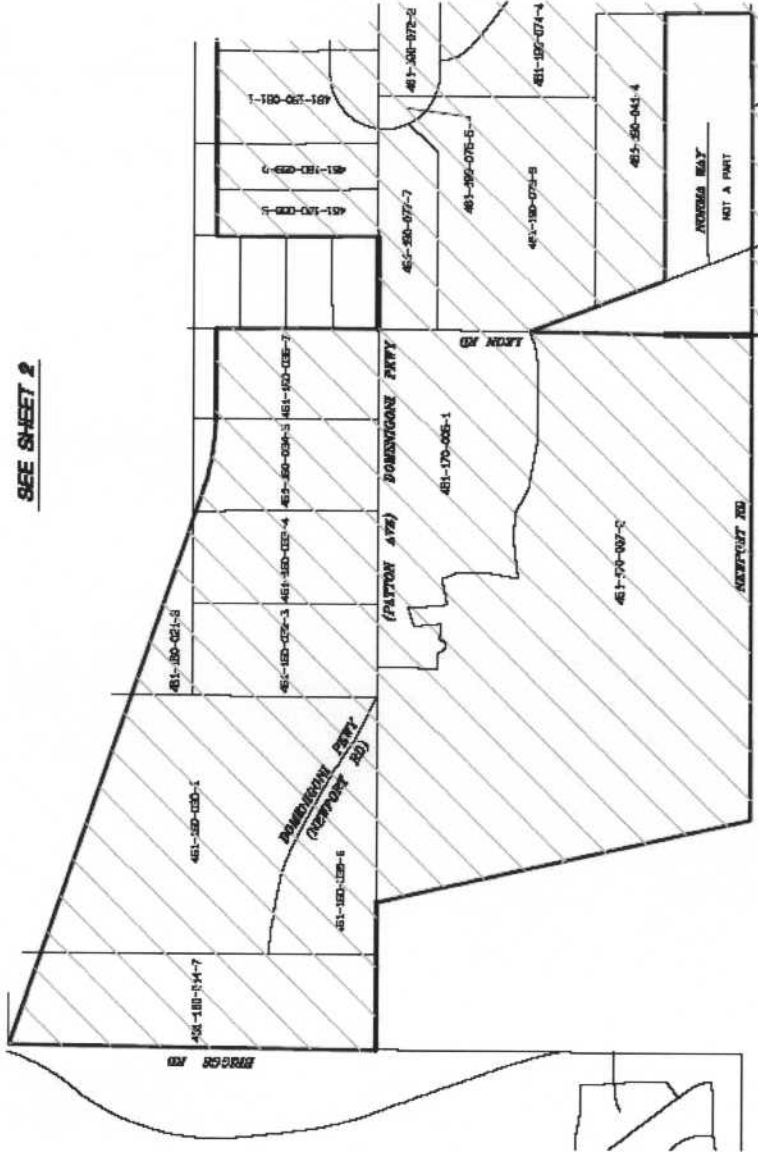


SEE SHEET 5

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

LEGEND
—— DISTRICT BOUNDARY
—— APN NUMBERS

ASSESSOR PARCEL NUMBERS PER
OFFICIAL RECORDS OF RIVERSIDE
COUNTY AS OF JUNE 1, 2008.



SEE SHEET 2

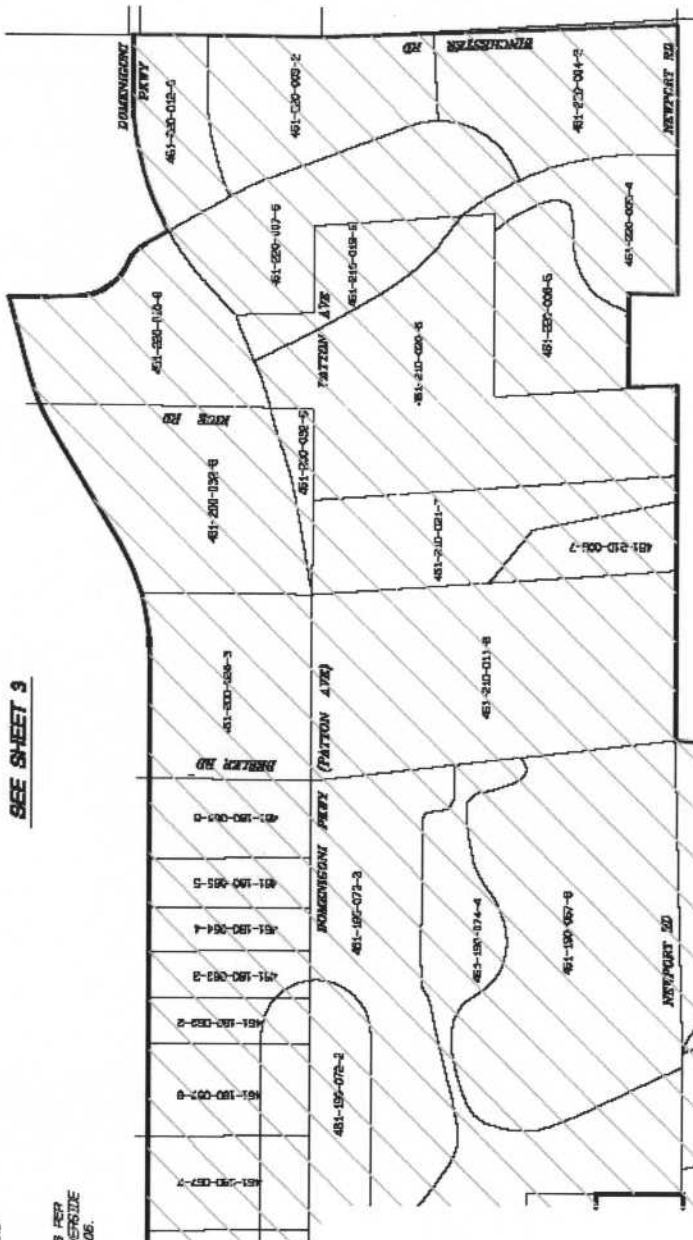


SEE SHEET 6

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

LEGEND
--- DISTRICT BOUNDARY
--- 123-456-789 APN NUMBERS

ASSASSOR BLOCK NUMBER PER
OFFICIAL RECORDS OF RIVERSIDE
COUNTY AS OF JUNE 4, 2006.



SEE SHEET 3

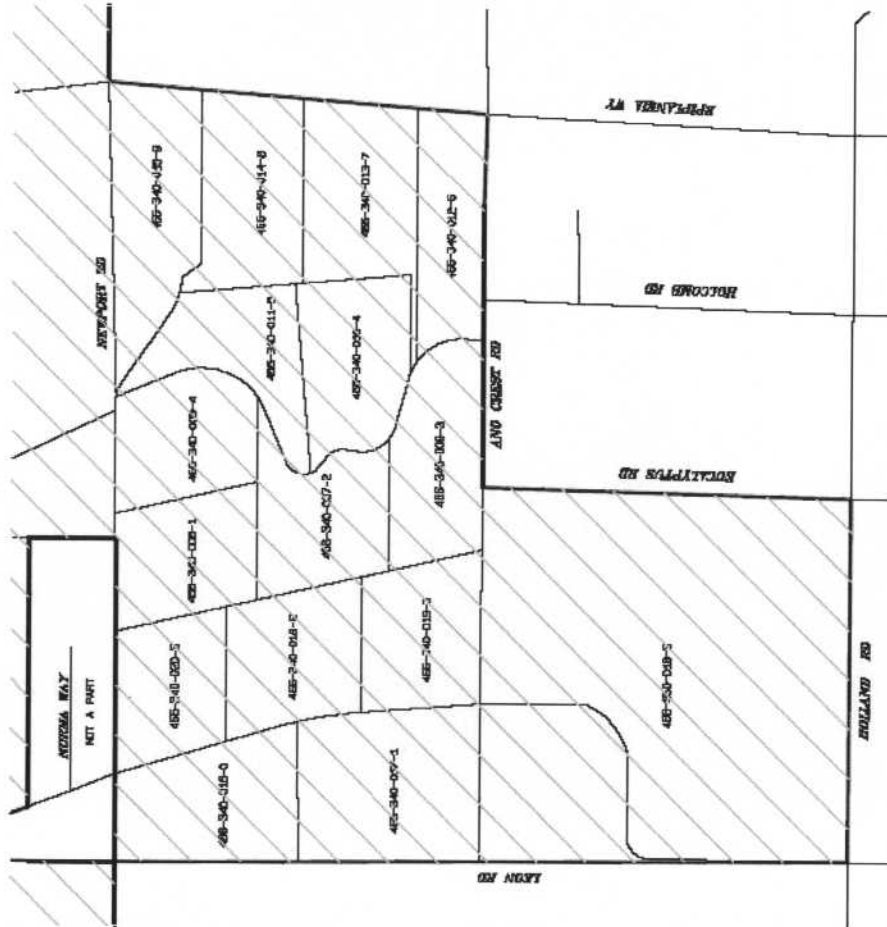
SEE SHEET 4

SEE SHEET 6



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

SEE SHEET 5



SEE SHEET 4

LEGEND
 DISTRICT BOUNDARY
 APN NUMBERS

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



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 $20^{\circ}18'05''$, 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 $07^{\circ}26'00''$ East;

Thence westerly along said curve, to the left, through a central angle of $09^{\circ}07'45''$, 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 $16^{\circ}33'45''$ West;

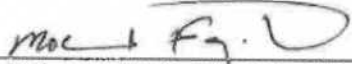
Thence westerly and northwesterly along said curve, to the right, through a central angle of $82^{\circ}41'08''$, an arc distance of 362.09 feet to the beginning of a reverse curve, concave to the southwest, having a radius of 229.55 feet, the radial line from said point bears South $66^{\circ}07'23''$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

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

Containing 4.68 acres, more or less.

SEE PLAT ATTACHED HERETO AND MADE A PART HEREOF

PREPARED UNDER MY SUPERVISION

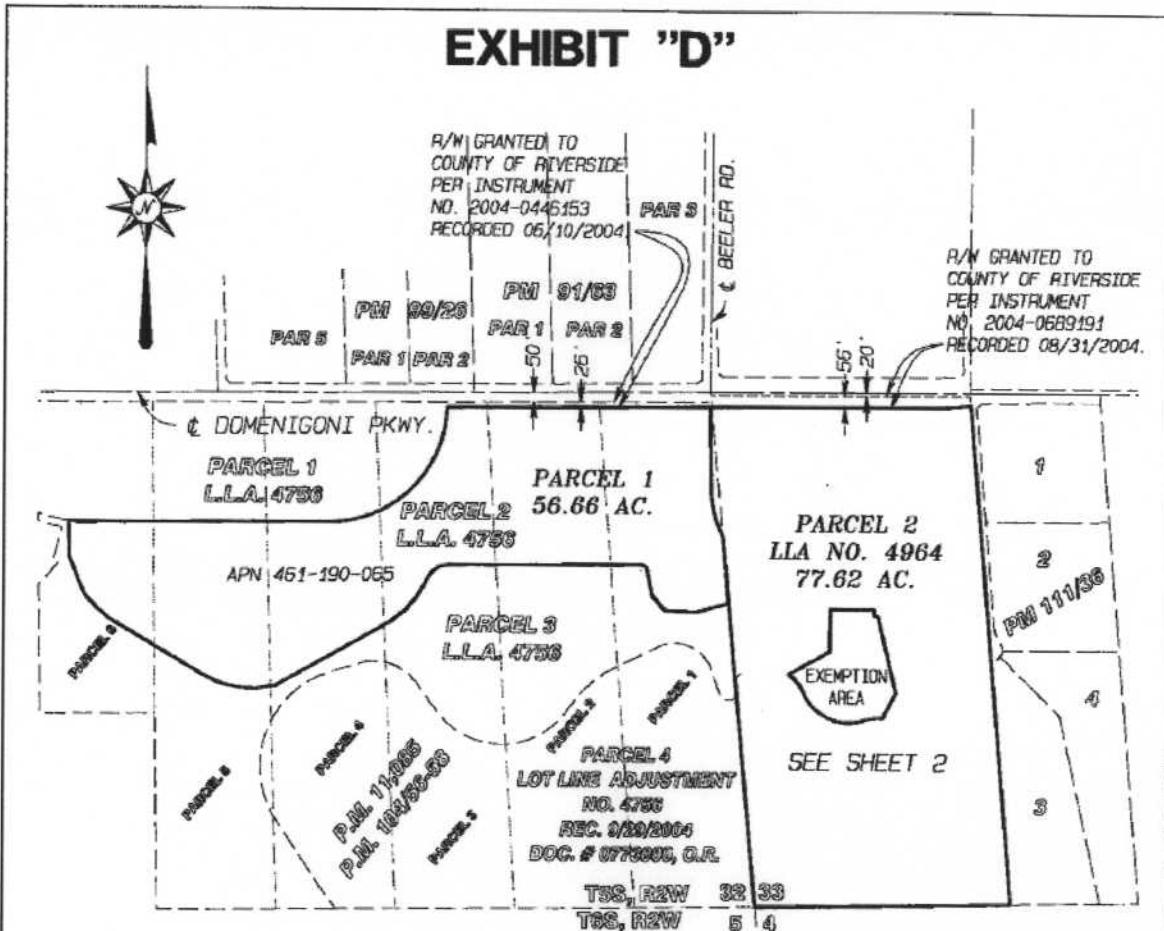

Mohammad A. Faghihi, L.S. 6607

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

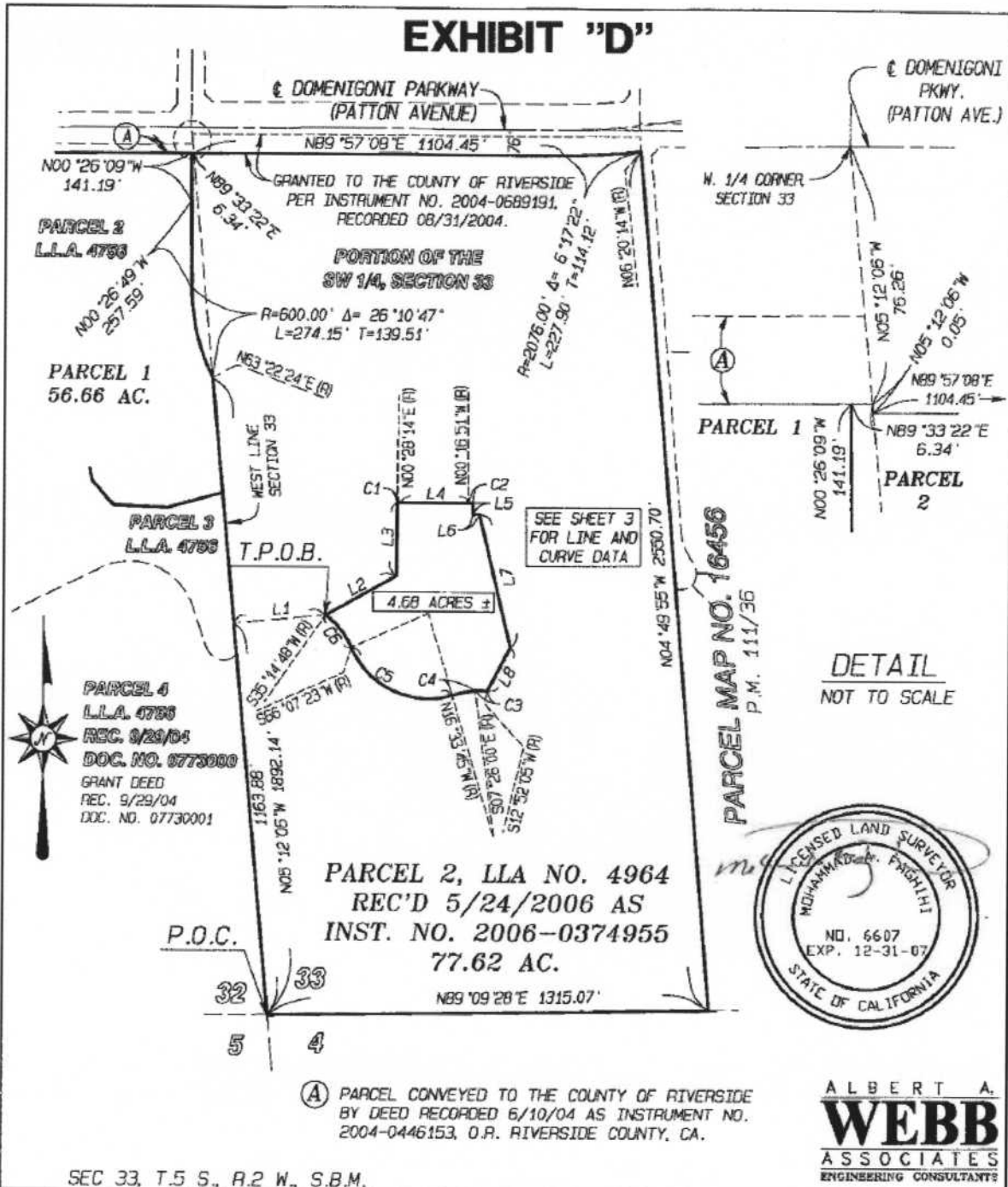
W.O.
02-424

SCALE: 1" = 800'

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

SUBJECT: CFD EXEMPTION EXHIBIT

EXHIBIT "D"



| | | | |
|--|---|--------------------------------|--|
| COUNTY OF RIVERSIDE, CALIFORNIA | | DATE PREPARED 7/18/2006 | |
| File G:\2005\05-0205\CFD Exemption Exhibit.pro | | SHEET <u>2</u> OF <u>3</u> | |
| 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. | | W.O. 02-424 | |
| SCALE: 1" = 400' | DRAWN BY <i>[Signature]</i> DATE 7/18/06 CHKD BY <i>[Signature]</i> DATE 7/18/06 | SUBJECT: CFD EXEMPTION EXHIBIT | |

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" | 8.23' | 4.12' |
| C2 | 1028.00' | 0°44'46" | 13.39' | 6.69' |
| 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.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 3 OF 3

W.O.
02-424

DRWN BY *Am*
CHKD BY *Am*

DATE 7/18/06
DATE 7/18/06

SUBJECT: CFD EXEMPTION EXHIBIT

CLERK'S CERTIFICATE

I, Nancy Romero, Clerk to the Board of Supervisors of the County of Riverside, California, do hereby certify that the foregoing Resolution No. 2006-456 was duly adopted by the Board of Supervisors of said County at a meeting of said Board held on the 5th day of December, 2006, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County of Riverside this ____ day of _____, 2006.

By: _____
Deputy Clerk

CLERK'S CERTIFICATE

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. 2006-456 of the Board of Supervisors of said County, and that the same has not been amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County of Riverside this ____ day of _____, 2006.

By: _____
Deputy Clerk