

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

901



FROM: COUNTY EXECUTIVE OFFICE

SUBMITTAL DATE:
June 12, 2007

SUBJECT: Community Facilities District No. 07-2 (Clinton Keith) of the County of Riverside – Modification of Resolution of Issuance and Establishment of the CFD.

RECOMMENDED MOTION: That during the public hearing, the Board 1) adopt Resolution No. 2007-287 to modify the Resolution of Intention and approve an amended and restated Rate and Method of Apportionment, and after closing the public hearing, 2) adopt Resolution No. 2007-286 establishing Community Facilities District No. 07-2 (Clinton Keith) of the County of Riverside, authorizing the levy of a special tax within said District, and establishing an appropriations limit for said District.

BACKGROUND: On May 8, 2007, the Board of Supervisors adopted Resolution No. 2007-189 declaring its intent to form Community Facilities District No. 07-2 of the County of Riverside ("CFD 07-2"), and calling a public hearing for June 12, 2007. The Board also adopted Resolution No. 2007-190 declaring its intent to incur bonded indebtedness in an amount not to exceed \$60,000,000 within the proposed boundaries of CFD 07-2.

After the start of the public hearing, staff requests that the Board adopt Resolution No. 2007-287 authorizing the modification of the Resolution of Intention by making minor changes to the Rate and Method of Apportionment. These changes will not affect the actual rate or method for apportioning the special tax on the properties. The changes are simple clarifications of language within the document.

(continued on page 2)

Jerry Norris, Principal Management Analyst

FORM APPROVED
COUNTY COUNSEL

JUN 6 2007

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:	2007

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30
Requires 4/5 Vote

C.E.O. RECOMMENDATION: **APPROVE** **APPROVE**

County Executive Office Signature

BY:
Gary M. Christmas

- Consent
- Policy
- Consent
- Policy

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

At the conclusion of today's public hearing, provided there is not a majority protest of the registered voters or the land owners within the boundaries of CFD 07-2, staff requests that the Board adopt Resolution No. 2007-286 establishing CFD 07-2, approving the special tax, and establishing an annual appropriations limit.

The adoption of Resolution No. 2007-286 in conjunction with the Legislative Body's adoption of Resolution No. CFD 2007-04 and Resolution No. CFD 2007-05, at the conclusion of the public hearing, is consistent with applicable provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act") and determines the need for CFD 07-2 to incur bonded indebtedness in an aggregate principal amount not to exceed \$60,000,000 and calls an expedited special election for June 18, 2007 to consider the proposition of whether CFD 07-2 should levy a special tax consistent with the amended and restated rate and method of apportionment, incur bonded indebtedness in an aggregate principal amount not to exceed \$60,000,000, and establish an appropriations limit for CFD 07-2.

A copy of the boundary map of CFD 07-2 is hereby provided as an exhibit to the Rate and Method of Apportionment (the "RMA"), which is Exhibit "B" to Resolution No. 2007-286. The boundary map is composed of non-contiguous parcels generally located in the area north and south of Clinton Keith Road and east and west of Interstate 215, and was recorded on May 21, 2007, in book 71, pages 4-11 of Maps of Assessment and Community Facilities Districts as Instrument No. 2007-0334626.

Clinton Keith Road is located within the Highway 79 Policy Area (the "Policy Area") and is identified as a Critical Transportation Corridor Improvement Program ("CTCIP") facility. Within the Policy Area, projects are conditioned to mitigate their impacts to transportation facilities. The method used to mitigate such impact is forming a CFD to provide revenue which is used to issue bonds to construct identified transportation facilities. Owners of property included in a CTCIP CFD will receive a credit against their TUMF and RBBD fee for the portion of the facility funded through the CFD.

It is the intent of the County that CFD 07-2 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. 2007-286.

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 07-2 for 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 07-2 with each land owner receiving one vote for each acre of land or portion thereof that it owns.

The Clerk of the Board with the assistance of the County Executive Office will be conducting the special mailed ballot election on June 18, 2007.

RESOLUTION NO. 2007-286

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE ESTABLISHING COMMUNITY
FACILITIES DISTRICT NO. 07-2 (CLINTON KEITH) OF THE
COUNTY OF RIVERSIDE, AUTHORIZING THE LEVY OF A
SPECIAL TAX WITHIN SAID DISTRICT AND ESTABLISHING
AN APPROPRIATIONS LIMIT FOR SAID DISTRICT**

WHEREAS, on May 8, 2007, the Board of Supervisors (the "Board of Supervisors") of the County of Riverside (the "County"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), commencing with Section 53311 of the California Government Code (the "Government Code"), adopted Resolution No. 2007-189 (the "Resolution of Intention"), stating its intention to establish a community facilities district (the "Community Facilities District"), proposed to be named Community Facilities District No. 07-2 (Clinton Keith) of the County of Riverside, and to authorize the levy of special taxes to finance certain public facilities and setting June 12, 2007 as the date for a public hearing to be held on the establishment of the Community Facilities District;

WHEREAS, pursuant to the Resolution of Intention, notice of such public hearing was published in *The Press-Enterprise* on June 1, 2007, and mailed by first class mail, postage prepaid to all registered voters and landowners within the Community Facilities District on May 23, 2007, in accordance with the Act;

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

WHEREAS, pursuant to the Resolution of Intention, each officer of the County who is or will be 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, and his or her estimate of the cost of providing the public facilities proposed to be financed by the Community Facilities District and the fair and reasonable cost of the incidental expenses proposed to be paid;

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

3 **WHEREAS**, at the hearing, the Board of Supervisors proposed to modify the Resolution of
4 Intention so as to change the rate and method of apportionment of the special tax (the "Original Rate and
5 Method") originally proposed to be levied within the Community Facilities District to reduce the
6 Assigned Special Tax rates for Developed Property and Approved Property, to reduce the Maximum
7 Special Tax rate for Undeveloped Property, Property Owners' Association Property and Public Property,
8 to clarify certain provisions of the Backup Special Tax and to make certain other technical clarifications;

9 **WHEREAS**, at the hearing, the Board of Supervisors adopted a resolution entitled "Resolution of
10 the Board of Supervisors of the County of Riverside Modifying the Resolution of Intention and
11 Approving an Amended and Restated Rate and Method of Apportionment for Communities Facilities
12 District No. 07-2 (Clinton Keith) of the County of Riverside" modifying the Resolution of Intention so as
13 to amend and restate the Original Rate and Method in its entirety;

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

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

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

28 **WHEREAS**, there has been filed with the Clerk to the Board of Supervisors a certification of the

1 Registrar of Voters of the County that, on May 24, 2007, which date is within the ninety-day period
2 preceding the close of said public hearing, less than 12 persons were registered to vote within the territory
3 proposed to be included in the Community Facilities District;

4 **WHEREAS**, Section 53314.9 of the California Government Code (the "Government Code")
5 provides that, at any time either before or after the formation of a community facilities district, the
6 legislative body may accept advances of funds from any source, including, but not limited to, private
7 persons or private entities and may provide, by resolution, for the use of those funds for any authorized
8 purpose;

9 **WHEREAS**, Section 53314.9 of the Government Code further provides that the legislative body
10 may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a
11 portion of the funds advanced, as determined by the legislative body, with or without interest, under all
12 the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention
13 to establish a community facilities district adopted pursuant to Section 53321 of the Government Code
14 and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1
15 of the Government Code, (b) any proposed special tax is approved by the qualified electors of the
16 community facilities district pursuant to the Government Code, and (c) any agreement shall specify that if
17 the qualified electors of the community facilities district do not approve the proposed special tax, the local
18 agency shall return any funds which have not been committed for any authorized purpose by the time of
19 the election to the person or entity advancing the funds;

20 **WHEREAS**, the County of Riverside (the "County") and NNP-Spencer's Crossing, LLC, as
21 predecessor to Lennar Spencer's Crossing, LLC ("Lennar"), entered into a Development Fee Credit
22 Agreement, dated November 2, 2004 (the "Original NNP Agreement"), in order to provide for the
23 advancement of funds by the original developer to be used to pay costs incurred in connection with the
24 engineering plans for the construction of Clinton Keith Road as a six-lane urban arterial from Antelope
25 Road to State Route 79 ("Clinton Keith Road"), and to provide for certain fee credits and for the
26 reimbursement of such funds advanced from the proceeds of any special tax bonds issued by the
27 Community Facilities District;

28 **WHEREAS**, the County and Lennar have entered into Amendment No. 1 to Development Fee

1 Credit Agreement for Clinton Keith Road, dated May 8, 2007 (together with the Original NNP
2 Agreement, the "Lennar Agreement"), in accordance with Section 53314.9 of the Act in order to provide
3 for the advancement of additional funds by Lennar to be used to pay costs incurred in connection with the
4 acquisition of necessary land, rights-of-way and easements in connection with the construction of Clinton
5 Keith Road, and to provide for certain fee credits and for the reimbursement to Lennar of all funds
6 advanced under the Lennar Agreement, without interest, from the proceeds of any special tax bonds
7 issued by the Community Facilities District;

8 WHEREAS, the County and BC Yates Road, LLC ("BC Yates") have entered into a Mello-Roos
9 Advance Proposal and Reimbursement Agreement for the Clinton Keith Road CFD, dated May 8, 2007
10 (the "BC Yates Agreement"), in accordance with Section 53314.9 of the Act in order to provide for the
11 advancement of funds by BC Yates to be used to pay costs incurred in connection with the acquisition of
12 necessary land, rights-of-way and easements and other costs in connection with the construction of
13 Clinton Keith Road, and to provide for the reimbursement to BC Yates of all funds advanced under the
14 BC Yates Agreement, without interest, from the proceeds of any special tax bonds issued by the
15 Community Facilities District;

16 WHEREAS, the County and Hill Country, S. A. LTD ("Hill Country") have entered into a
17 Development Fee Credit Agreement for Clinton Keith Road, dated May 8, 2007 (the "Hill Country
18 Agreement"), in accordance with Section 53314.9 of the Act in order to provide for certain fee credits and
19 for the advancement of funds by Hill Country to be used to pay costs incurred in connection with the
20 acquisition of necessary land, rights-of-way and easements in connection with the construction of Clinton
21 Keith Road, and to provide for the reimbursement to Hill Country of all funds advanced under the Hill
22 Country Agreement, without interest, from the proceeds of any special tax bonds issued by the
23 Community Facilities District;

24 WHEREAS, the County and KB Home Coastal Inc. ("KB Home") have entered into a
25 Development Fee Credit Agreement for Clinton Keith Road, dated May 8, 2007 (the "KB Home
26 Agreement"), in accordance with Section 53314.9 of the Act in order to provide for the advancement of
27 funds by KB Home to be used to pay costs incurred in connection with the acquisition of necessary land,
28 rights-of-way and easements in connection with the construction of Clinton Keith Road, and to provide

1 for certain fee credits and for the reimbursement to KB Home of all funds advanced under the KB Home
2 Agreement, without interest, from the proceeds of any special tax bonds issued by the Community
3 Facilities District;

4 **WHEREAS**, the County and Warm Springs Investments, LTD (“Warm Springs”) have entered
5 into a Development Fee Credit Agreement for Clinton Keith Road, dated May 8, 2007 (the “Warm
6 Springs Agreement”), in accordance with Section 53314.9 of the Act in order to provide for certain fee
7 credits and for the advancement of funds by Warm Springs to be used to pay costs incurred in connection
8 with the acquisition of necessary land, rights-of-way and easements in connection with the construction of
9 Clinton Keith Road, and to provide for the reimbursement to Warm Springs of all funds advanced under
10 the Warm Springs Agreement, without interest, from the proceeds of any special tax bonds issued by the
11 Community Facilities District;

12 **WHEREAS**, the County and Barratt American Incorporated (“Barratt” and together with Lennar,
13 BC Yates, Hill Country, KB Home and Warm Springs, the “Developers”) have entered into a Mello-Roos
14 Advance Proposal and Reimbursement Agreement for the Clinton Keith Road CFD, dated May 8, 2007
15 (the “Barratt Agreement” and together with the Lennar Agreement, the BC Yates Agreement, the Hill
16 Country Agreement, the KB Home Agreement and the Warm Springs Agreement, the “Development
17 Agreements”), in accordance with Section 53314.9 of the Act in order to provide for the advancement of
18 funds by Barratt to be used to pay costs incurred in connection with the acquisition of necessary land,
19 rights-of-way and easements and other costs in connection with the construction of Clinton Keith Road,
20 and to provide for the reimbursement to Barratt of all funds advanced under the Barratt Agreement,
21 without interest, from the proceeds of any special tax bonds issued by the Community Facilities District;
22 and

23 **WHEREAS**, the County desires to include in this Resolution, in accordance with Section 53314.9
24 of the Government Code, the proposal to repay funds pursuant to the Development Agreements;

25 **NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF**
26 **RIVERSIDE**, in regular session assembled on June 12, 2007, does hereby resolve, find, determine and
27 order as follows:

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

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

2 **Section 3.** The Community Facilities District is hereby named "Community Facilities District No.
3 07-2 (Clinton Keith) of the County of Riverside."

4 **Section 4.** The public facilities (the "Facilities") proposed to be financed by the Community
5 Facilities District pursuant to the Act are described under the caption "Facilities" on Exhibit A hereto,
6 which is by this reference incorporated herein. The incidental expenses proposed to be incurred are
7 identified under the caption "Incidental Expenses" on Exhibit A hereto. All or any portion of the Facilities
8 may be financed through a financing plan, including, but not limited to, a lease, lease-purchase or
9 installment-purchase arrangement.

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

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

22 The tax year after which no further special tax will be levied against any parcel used for private
23 residential purposes is specified in the Rate and Method. Under no circumstances shall the special tax
24 levied against any parcel used for private residential purposes be increased as a consequence of
25 delinquency or default by the owner of any other parcel or parcels within the Community Facilities
26 District by more than 10%. For purposes of this paragraph, a parcel shall be considered "used for private
27 residential purposes" not later than the date on which an occupancy permit for private residential use is
28 issued.

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

10 **Section 8.** The name, address and telephone number of the office which will be responsible for
11 preparing annually a current roll of special tax levy obligations by assessor's parcel number and which
12 will be responsible for estimating further special tax levies pursuant to Section 53340.1 of the
13 Government Code are as follows: Community Facilities District Administrator, County Executive Office,
14 4080 Lemon Street, 4th Floor, Riverside, California 92506, (909) 955-1100.

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

20 **Section 10.** The boundary map of the Community Facilities District was recorded on May 21,
21 2007, in Riverside County in Book 71 at Page 4 through 11 of the Book of Maps of Assessment and
22 Community Facilities Districts in the Riverside County Recorder's Office, as Instrument No. 2007-
23 0334626.

24 **Section 11.** The annual appropriations limit, as defined by subdivision (h) of Section 8 of Article
25 XIII B of the California Constitution, of the Community Facilities District is hereby established at
26 \$60,000,000.

27 **Section 12.** Pursuant to the provisions of the Act, the levy of the special tax and a proposition to
28 establish the appropriations limit specified above shall be subject to the approval of the qualified electors

1 of the Community Facilities District at a special election. The Board of Supervisors hereby finds that, on
2 May 24, 2007, which date is within the ninety-day period preceding the close of the public hearing on the
3 establishment of the Community Facilities District, less than 12 persons were registered to vote within the
4 territory included in the Community Facilities District. Accordingly, pursuant to Section 53326 of the
5 Government Code, the vote shall be by the landowners of the Community Facilities District and each
6 landowner who is the owner of record as of the close of said public hearing, or the authorized
7 representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within
8 the Community Facilities District. The voting procedure shall be by mailed or hand-delivered ballot.

9 **Section 13.** The Developers have heretofore advanced certain funds, and may advance additional
10 funds, to the County, which have been or may be used to pay costs incurred in connection with the
11 acquisition of necessary land, rights-of-way and easements and the development of engineering plans and
12 other costs in connection with the construction of Clinton Keith Road. The Board of Supervisors proposes
13 to repay all or a portion of such funds expended for such purpose, from the proceeds of special tax bonds
14 issued by the Community Facilities District, pursuant to the Development Agreements.

15 **Section 14.** The potential environmental effects of the Facilities proposed to be financed by the
16 Community Facilities District were fully studied in Final Environmental Impact Report (FEIR) No. 398
17 (February 2000) and Supplemental Environmental Impact Report (SEIR) No. 398 (January 2006). The
18 Board of Supervisors certified FEIR No. 398 and adopted a Mitigation Monitoring and Reporting
19 Program on December 19, 2000. The Board of Supervisors certified SEIR No. 398 and adopted a
20 Mitigation Monitoring Reporting Program on February 7, 2006. Formation of the Community Facilities
21 District will not result in any new significant environmental effects not identified in FEIR No. 398 and
22 SEIR No. 398, nor will it substantially increase the severity of the environmental effects identified in
23 FEIR No. 398 and SEIR No. 398. In addition, no considerably different mitigation measures have been
24 identified and no mitigation measures found infeasible have become feasible. Accordingly, the Board of
25 Supervisors hereby finds that it has fully complied with the California Environmental Quality Act and no
26 further environmental documentation is required to form the Community Facilities District.

27 **Section 15.** The Board of Supervisors hereby determines and finds that all proceedings up to and
28 including the adoption of this Resolution were valid and in conformity with the requirements of the Act.

1 In accordance with Section 53325.1 of the Government Code, such finding shall be final and conclusive.

2 **Section 16.** The officers of the County are, and each of them is, hereby authorized and directed
3 to do any and all things, and to execute and deliver any and all documents which said officers may deem
4 necessary or advisable in order to accomplish the purposes of this Resolution and not inconsistent with
5 the provisions hereof.

6 ///

7 **ADOPTED, SIGNED AND APPROVED** this 12th day of June, 2007, by the Board of
8 Supervisors of the County of Riverside.

9
10
11 By: _____
12 John Tavaglione,
Chairman of the Board of Supervisors

13 **ATTEST:**
14 Nancy Romero,
Clerk of the Board of Supervisors

FORM APPROVED
COUNTY COUNSEL

15
16 By: _____
17 Deputy Clerk

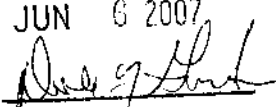
JUN 6 2007
BY 
Dale A. Gardner

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, and storm drain facilities, environmental mitigation facilities needed in connection therewith, 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

PROPOSED AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

[See Attached 30 Pages]

**AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF
SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
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. 07-2 (Clinton Keith) 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 Special Tax for each category of Taxable Property. All real property within the CFD 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 that 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 parcel(s), lot(s) or units(s) of Taxable Property not classified as Public Property or Property Owners’ Association 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 an official map of the Assessor of the County designating Parcels by Assessor Parcel Number.

“Assessor’s Parcel Number” means the number assigned by the Assessor of the County for a Parcel on an Assessor’s Parcel Map.

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

“Assumed Administrative Expenses” means (a) for Fiscal Year 2007-2008, \$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 June 30 in such Fiscal Year, by 2.00% 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.

“Building Permit” means a building permit issued by the County (or another public agency in the event the County no longer issues such permits) for new construction.

“CFD” means Community Facilities District No. 07-2 (Clinton Keith) of the County established pursuant to the Act and identified by the Boundary Map attached as Exhibit A.

“County” means the County of Riverside.

“Developed Property” means, for each Fiscal Year, all parcel(s), lot(s) or unit(s) of Taxable

Property, not classified as Public Property 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 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 parcel(s), lot(s) or unit(s) 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.

“Land Use Category” means any of the following land use categories: Single Family Property, Multifamily Property, Non-Residential Property, Undeveloped Property, Public Property and Property Owners’ 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, with respect to a Land Use Category, for each Fiscal Year, the maximum Special Tax which can be levied in such Fiscal Year on any Parcel, determined in accordance with Section C., below.

“Multifamily Property” means, for each Fiscal Year, any parcel, lot or unit of Residential Property for which a building permit can or has been issued for attached or detached residential units in a development that has a density of greater than eight (8) Residential Dwelling Units per gross acre, as recorded on a Final Map or as determined by the Administrator.

"Multiple Land Use Property" means, for each Fiscal Year, all parcels of 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, an individual legal lot 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 or is identified on a Final Map as common area to be owned by a property owners' 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, 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, is the same for all Parcels of Approved Property, (iii) Undeveloped Property, that the ratio of the actual Special Tax levy per taxable Acre to the

Maximum Special Tax per taxable Acre is the same for all Parcels of Undeveloped Property, and (iv) 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 Parcels of Public Property and/or Property Owners' Association Property, that is not Exempt 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.

“RDU” means Residential Dwelling Unit.

“Residential Dwelling Unit” means, for each Fiscal Year, a building or portion thereof on a Parcel intended for use by one (1) family and containing but one (1) kitchen, which is designed primarily for residential occupancy including single family and multifamily dwellings. Residential Dwelling Unit shall not include hotels or motels.

“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/or 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, lot or unit of Residential Property for which a building permit can or has been issued for attached or detached residential units in a development that has a density of eight (8) Residential Dwelling Units to the gross acre or less, as recorded on a Final Map or 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 authorized to be financed by the CFD, 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.

“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 not classified as Developed Property, Approved Property, Public Property, or Property Owners’ Association Property and which is not otherwise Exempt Property pursuant to Section E

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year in which the Special Tax is levied, all Parcels shall be categorized as either 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 Amended and Restated Rate and Method of Apportionment as determined pursuant to Sections C., D., and E., below. Developed Property and Approved

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 Developed Property that is Single Family or Multifamily 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 for each Parcel of Developed Property that is Non-Residential Property shall be the Assigned Special Tax determined pursuant to Section C.1.b, below.

b. Assigned Special Tax

For Fiscal Year 2007-2008, the Assigned Special Tax for each Parcel of Developed Property, except Multiple Land Use Property, shall be as described in Table 1 below:

TABLE 1
Developed Property
Assigned Special Taxes
For Fiscal Year 2007-2008

Land Use Category	Taxable Parcel/Acre	Assigned Special Tax Per Parcel
1 - Single Family Property	RDU	\$ 1,049 per RDU
2 - Multifamily Property	RDU	\$ 795 per RDU
3 - Non - Residential Property	Acre	\$ 6,586 per Acre

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.

c. Backup Special Tax

(i) If the number of RDU of Single Family Property or Multifamily Property in a specific Final Map is equal to or greater than the proposed number of such RDUs listed in Table 2 below for the corresponding Final Map, the Backup Special Tax for each Parcel of Single Family Property and Multifamily Property that is Developed Property shall be the Assigned Special Tax for such Parcel at the time such Taxable Property becomes Developed Property.

(ii) If the number of RDUs of Single Family Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 below for the corresponding Final Map, then the Backup Special Tax for each RDU of Single Family Property within said Final Map shall equal (x) the number of RDUs of Single Family Property identified in Table 2 below multiplied by the Assigned Special Tax for Single Family Property shown in Table 1, as increased in accordance with Section C.1.b., divided by (y) the number of RDUs of Single Family Property within such Final Map.

(iii) If the number of RDU of Single Family Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Single Family Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such RDU of Single Family Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Single Family Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Single Family Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

(iv) If the number of RDU of Multifamily Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 below for the corresponding Final Map, then the Backup Special Tax for each RDU of Multifamily Property within said Final Map shall equal (x) the number of RDUs of

Multifamily Property identified in Table 2 below multiplied by the Assigned Special Tax for Multifamily Property shown in Table 1 as increased in accordance with Section C.1.b., divided by (y) the number of RDUs of Multifamily Property within such Final Map.

(v) If the number of RDUs of Multifamily Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such RDU of Multifamily Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Multifamily Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Multifamily Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

TABLE 2
Proposed Residential Dwelling
Units Per Tract

Final Map	Units Per Tract	
	Single Family RDU	Multifamily RDU
33170	140	0
32151	0	180
33307	41	0
30433	502	0
30694	81	0
30695	48	0
30695-1	59	0
30696-1	71	0
30696-F	38	0
30696-4	88	0
30696-2	69	0

Final Map	Single Family RDU	Multifamily RDU
30696-3	172	0
32289	197	0
32290-1	135	0
32290-2	166	0
32290-3	138	0
32290-4	267	0
32290-F	102	0
35328	38	0
28695	140	0
30430	117	0
32011	33	0
34324	0	122

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 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

a. Maximum Special Tax

The Maximum Special Tax for each Parcel of Approved Property that is Single Family or Multifamily Property shall be the greater of: (i) the applicable Assigned Special Tax set forth in Table 3, or (ii) the amount derived by application of the Backup Special Tax.

The Maximum Special Tax for each Parcel of Approved Property that is Non-Residential Property shall be the Assigned Special Tax set forth in Table 3, below.

b. Assigned Special Tax

For Fiscal Year 2007-2008, the Assigned Special Tax for each Parcel of Approved Property, except Multiple Land Use Property, shall be described in Table 3 below:

TABLE 3
Approved Property
Assigned Special Taxes
For Fiscal Year 2007-2008

<u>Land Use Category</u>	<u>Taxable Parcel/Acre</u>	<u>Assigned Special Tax Per Parcel</u>
1 - Single Family Property	RDU	\$ 1,049 per RDU
2 - Multifamily Property	RDU	\$ 795 per RDU
3 - Non - Residential Property	Acre	\$ 6,586 per Acre

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.

c. Backup Special Tax

(i) If the number of RDU of Single Family Property or Multifamily Property in a specific Final Map is equal to or greater than the proposed number of such RDUs listed in Table 2 above for the corresponding Final Map, the Backup Special Tax

for each Parcel of Single Family Property and Multifamily Property that is Approved Property shall be the Assigned Special Tax for such Parcel at the time such Taxable Property becomes Approved Property.

(ii) If the number of RDU of Single Family Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 above for the corresponding Final Map, then the Backup Special Tax for each RDU of Single Family Property within said Final Map shall equal (x) the number of RDUs of Single Family Property identified in Table 2 above multiplied by the Assigned Special Tax for Single Family Property shown in Table 3, as increased in accordance with Section C.2.b., divided by (y) the number of RDUs of Single Family Property within such Final Map.

(iii) If the number of RDUs of Single Family Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Single Family Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such RDU of Single Family Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Single Family Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Single Family Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

(iv) If the number of RDU of Multifamily Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 above for the corresponding Final Map, then the Backup Special Tax for each RDU of Multifamily Property within said Final Map shall equal (x) the number of RDUs of Multifamily Property identified in Table 2 above multiplied by the Assigned Special Tax for Multifamily Property shown in Table 3 as increased in accordance with Section C.2.b., divided by (y) the number of RDUs of Multifamily Property within such Final Map.

(v) If the number of RDUs of Multifamily Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such

RDU of Multifamily Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Multifamily Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Multifamily Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

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 Approved Property 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.

3. Undeveloped Property, Property Owners' Association Property and Public Property.

The Maximum Special Tax for each Parcel of Undeveloped Property, Property Owners' Association Property and Public Property is \$ 6,586 per Acre, times the Acreage of the Parcel.

For each Fiscal Year following Fiscal Year 2007-2008, the Maximum Special Tax

for Undeveloped Property, Property Owners' Association Property and Public Property shall increase by an amount equal to 2.00% of the Maximum 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 in accordance with the following steps:

First: Prior to the issuance of Bonds, the Special Tax shall be levied on each Parcel of Developed Property at 100% of the applicable Assigned Special Tax to be applied to the cost of the facilities authorized to be financed by the CFD; subsequent to the issuance of the Bonds, the Special Tax shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax, as needed to satisfy the Special Tax Requirement;

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

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

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each

Parcel of 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.

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 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 Developed Property that is Residential Property be increased as a consequence of delinquency or default by the owner of any other Parcel or Parcels within the CFD by more than ten percent (10%).

E. EXEMPTIONS

Land 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.

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 233.98 Acres of Public Property which include, but not limited to, public streets, water and sewer facilities, and/or flood control drainage channels but excluding Public Property owned by a public school district.
- (2) The Legislative Body shall not levy Special Taxes on up to 10.36 Acres of Public Property that is owned by a public school district.
- (3) In addition to the exempt Acres of Public Property included in (1) and (2) above, the Legislative Body shall not levy Special Taxes on up to 152.25 Acres of Public Property and/or Property Owners' Association Property that is property dedicated and restricted for the use as open space, park, public streets, recreation area or habitat reserve.
- (4) In addition to the exempt Acres of Property Owners' Association Property referenced in (3) above, the Legislative Body shall not levy Special Taxes on up to 6.95 Acres of Property Owners' Association Property that is dedicated and restricted for use as private

streets or golf course.

- (5) The Legislative Body shall not levy Special Taxes on up to 16.50 Acres that has been or is required to be dedicated to a public agency, or non-profit entity pursuant to the Western Riverside County multi-species habitat conservation plan (MSHCP).

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 acreage may be prepaid 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 fifth and sixth steps of Section D. above.

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 \$33,992,560 expressed in 2007 dollars, based on proposed TUMF and RBBD fees by the Riverside County Transportation Land Management Agency and the Western Riverside Council of Governments 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 Amended and Restated 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.

1. 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.

2. Prepayment in Part

The Maximum Special Tax on a Parcel of Developed Property or Approved Property may be partially prepaid in increments of \$2,500. For purposes of determining the partial prepayment amount, the provision of Section H.1 or H.2 shall be modified as provided by the following formula:

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

These terms have the following meaning:

PP = the partial prepayment

P_E = the Prepayment Amount calculated according to Section H.1 or H.2

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

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

With respect to any Parcel for which the Maximum Special Tax obligation is partially prepaid, the Administrator shall (i) distribute the Partial Prepayment as provided in Paragraph 13 of Section H.2, and (ii) indicate in the records of the CFD that there has been a Partial Prepayment for the Parcel and that a portion of the Maximum Special Tax obligation equal to the remaining percentage (1.00 - F) of the Maximum Special Tax obligation will, and the Special Tax shall continue on the Parcel pursuant to Section D.

I. TERM OF THE SPECIAL TAX

Special Taxes shall be levied for the period necessary to satisfy the Special Tax Requirement, but in no event shall Special Taxes be levied after Fiscal Year 2044-2045.

EXHIBIT A

PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 07-2 (CLINTON KEITH) OF THE COUNTY OF RIVERSIDE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

SHEET 1 OF 4

RECORDED IN THE OFFICE OF THE COUNTY CLERK OF RIVERSIDE COUNTY, CALIFORNIA, ON THIS 15th DAY OF MARCH, 2007, AT 10:00 AM. THE ABOVE DESCRIBED MAP AND INSTRUMENTS ARE HEREBY FILED FOR RECORD IN THE OFFICE OF THE COUNTY CLERK OF RIVERSIDE COUNTY, CALIFORNIA.

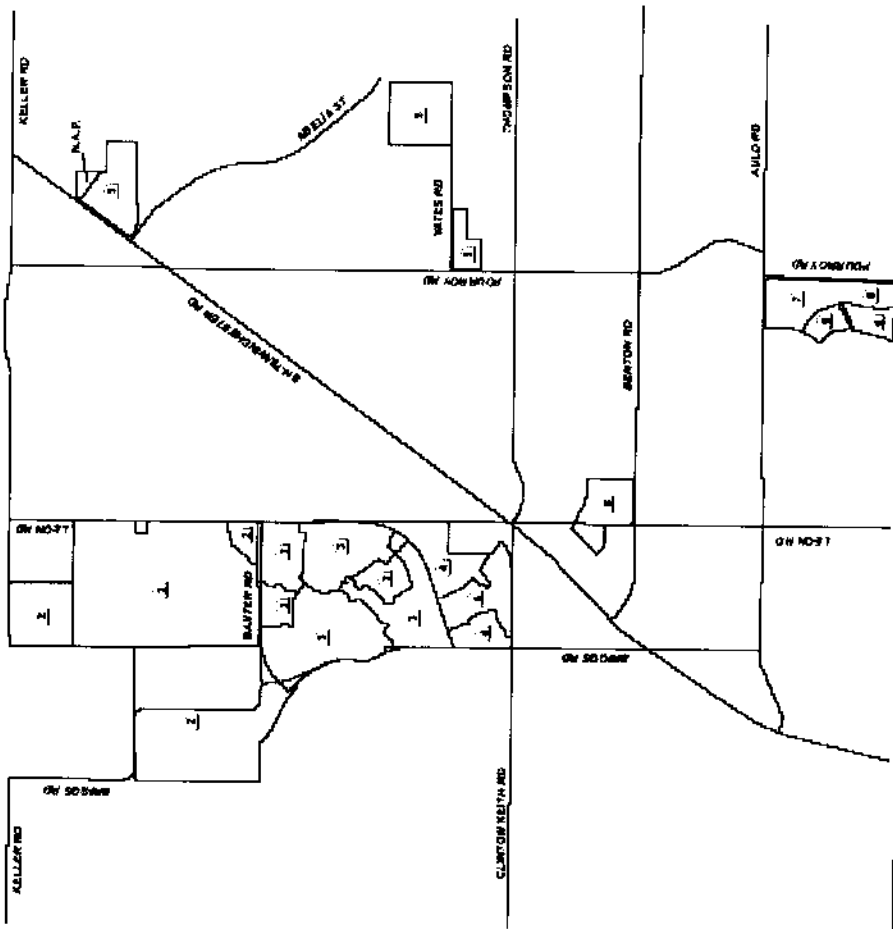
BY: _____
COUNTY CLERK

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said County at Riverside, California, this 15th day of March, 2007.

I HEREBY CERTIFY THAT THE ABOVE MAP OR MAPS, INCLUDING THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT NO. 07-2, CLINTON KEITH, OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS SUBMITTED TO THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AT A REGULAR MEETING HELD ON THE 15th DAY OF MARCH, 2007, IN ACCORDANCE WITH THE RESOLUTION NO. _____.

CLERK OF THE BOARD OF SUPERVISORS

CLERK OF THE BOARD OF SUPERVISORS



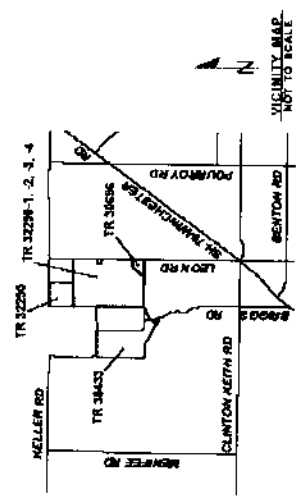
SHEET INDEX MAP

LEGEND
 - - - - - UNDESIGNATED
 - - - - - 1963 BOUNDARY
 X X SHEET NUMBER
 R.A.P. INC. 1997

NOT TO SCALE

WEBB
 A. S. & ASSOCIATES
 1000 N. GARDEN ST.
 RIVERSIDE, CA 92507
 (951) 514-1100

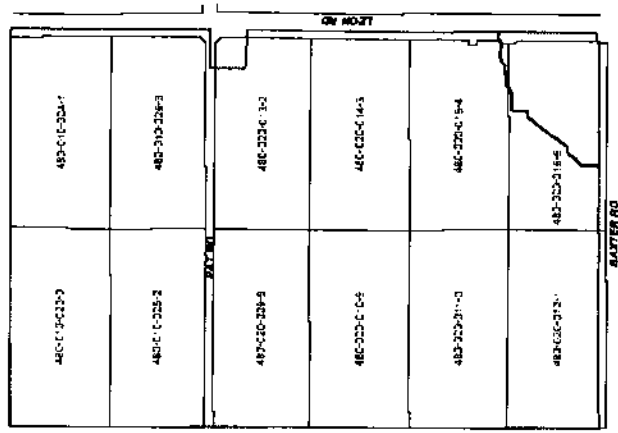
**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



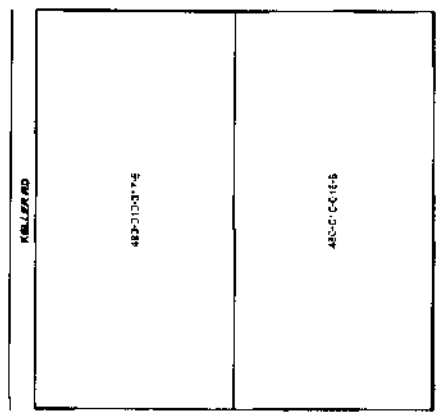
LEGEND

TRACT BOUNDARY
 PARCEL LINE
 TR X X X X TRACT MAP
 XXX-XXX-XXXX APN

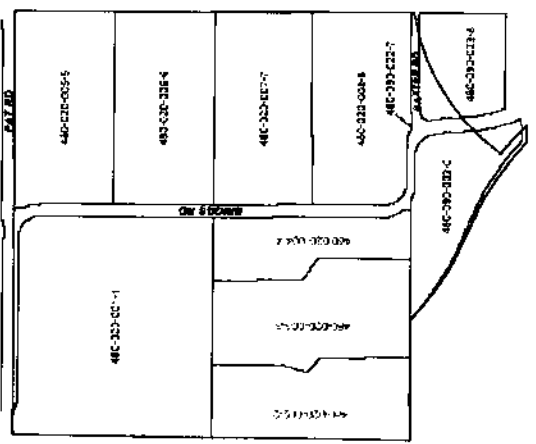
TR 32290-1-2,3,4



TR 32290



TR 30433



WEBB
 A. L. & B. A.
 COUNTY ASSESSORS' MAPS FOR FISCAL YEAR 2000-2001

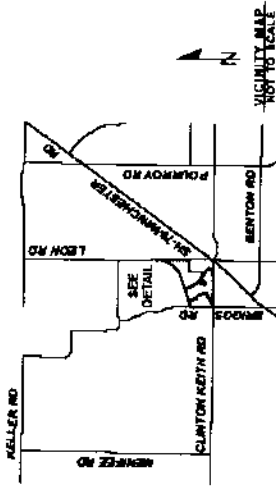
THIS BOUNDARY MAP CORRECTLY SHOWS THE SQUARES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSORS' MAPS FOR FISCAL YEAR 2000-2001.

NOT TO SCALE
 N

TR 30696



**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



INSET MAP
NOT TO SCALE

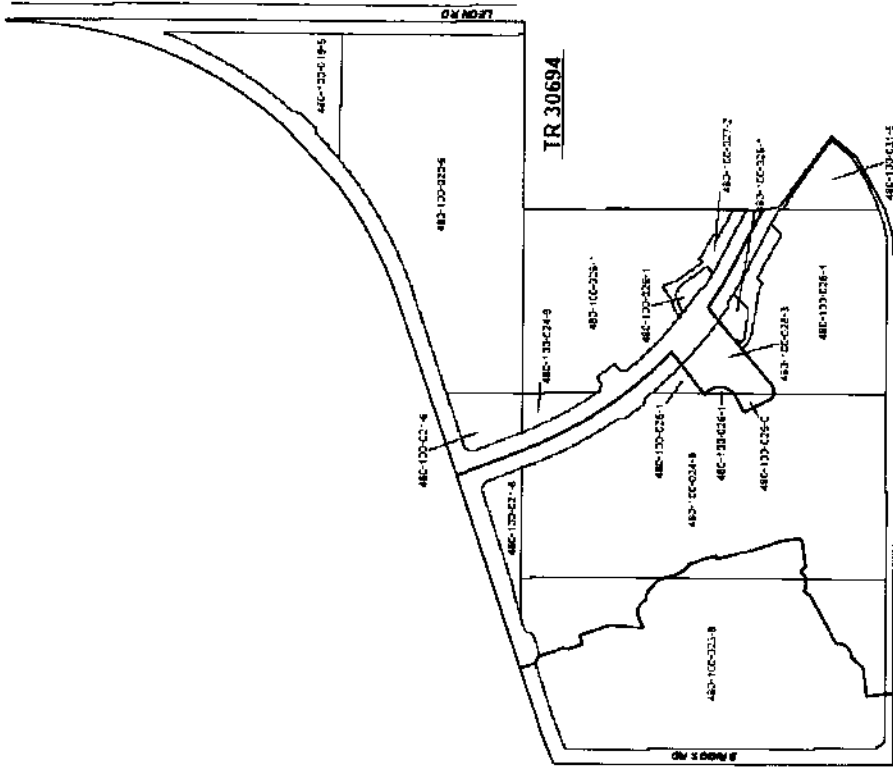
LEGEND

—— TRACT BOUNDARY

—— PARCEL LINE

TR XXXXX TRACT MAP

XXX-XXX-XXXX APN



CLINTON KEITH RD
BENTON RD
LEMON RD

TR 30695-1
TR 30694

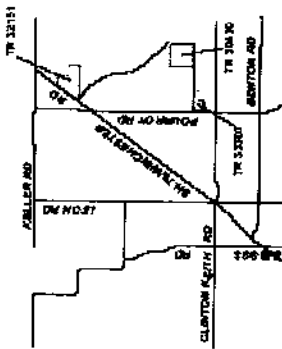
NOT TO SCALE

N

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2000-2007.



**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

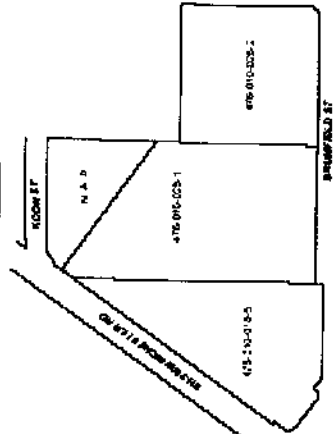


VICINITY MAP
NOT TO SCALE

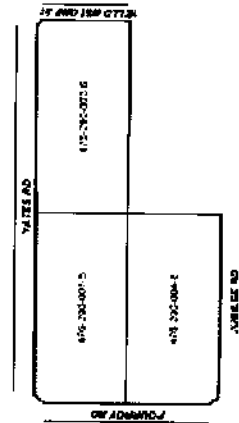
LEGEND

---	TRACT BOUNDARY
---	PARCEL LINE
---	TRAXX
---	1962 MAP
---	COPLANOCOGX
---	APN
---	N.A.P.
---	N.A.P.

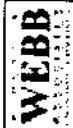
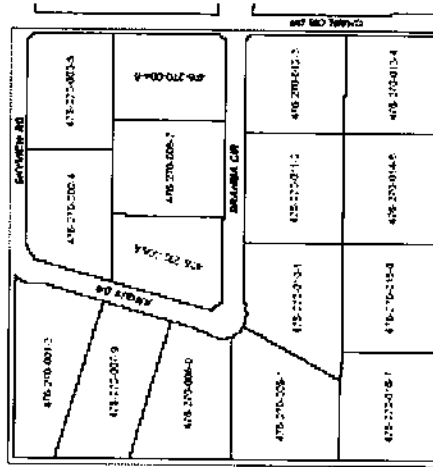
TR 32151



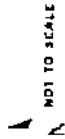
TR 33307



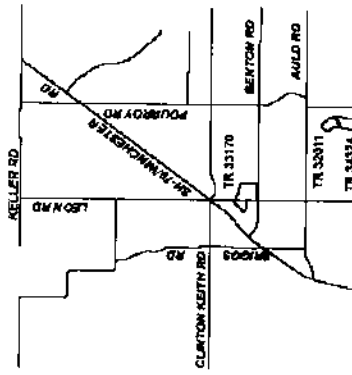
TR 30430



THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THIS COMMUNITY FACILITIES DISTRICT AND THE PARCELS WITHIN THE DISTRICT AND THE BOUNDARIES OF LOTS OF PARCELS WITHIN THE COUNTY AS SHOWN ON THE PLAN YEAR 2004-2007.

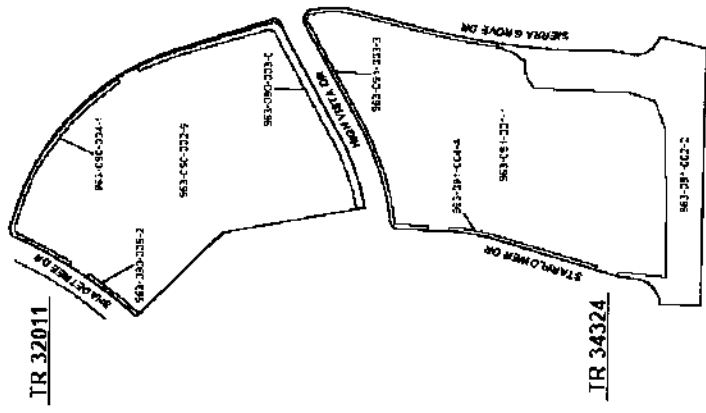


**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



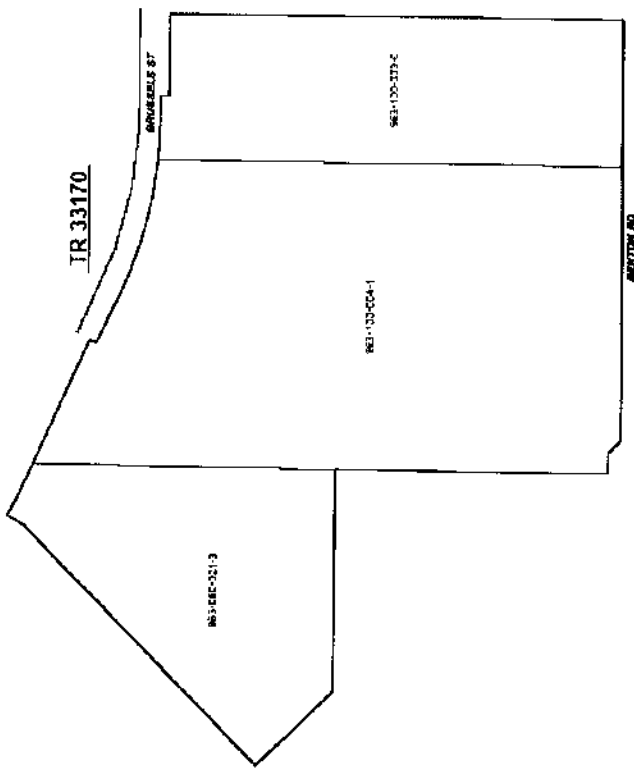
VICINITY MAP
NOT TO SCALE

LEGEND
 --- "RAC" BOUNDARY
 --- PARCEL LINE
 TR XXXXX TRACT MAP
 XXX-XXX-XXXX-X APN



IR 32011

IR 34324



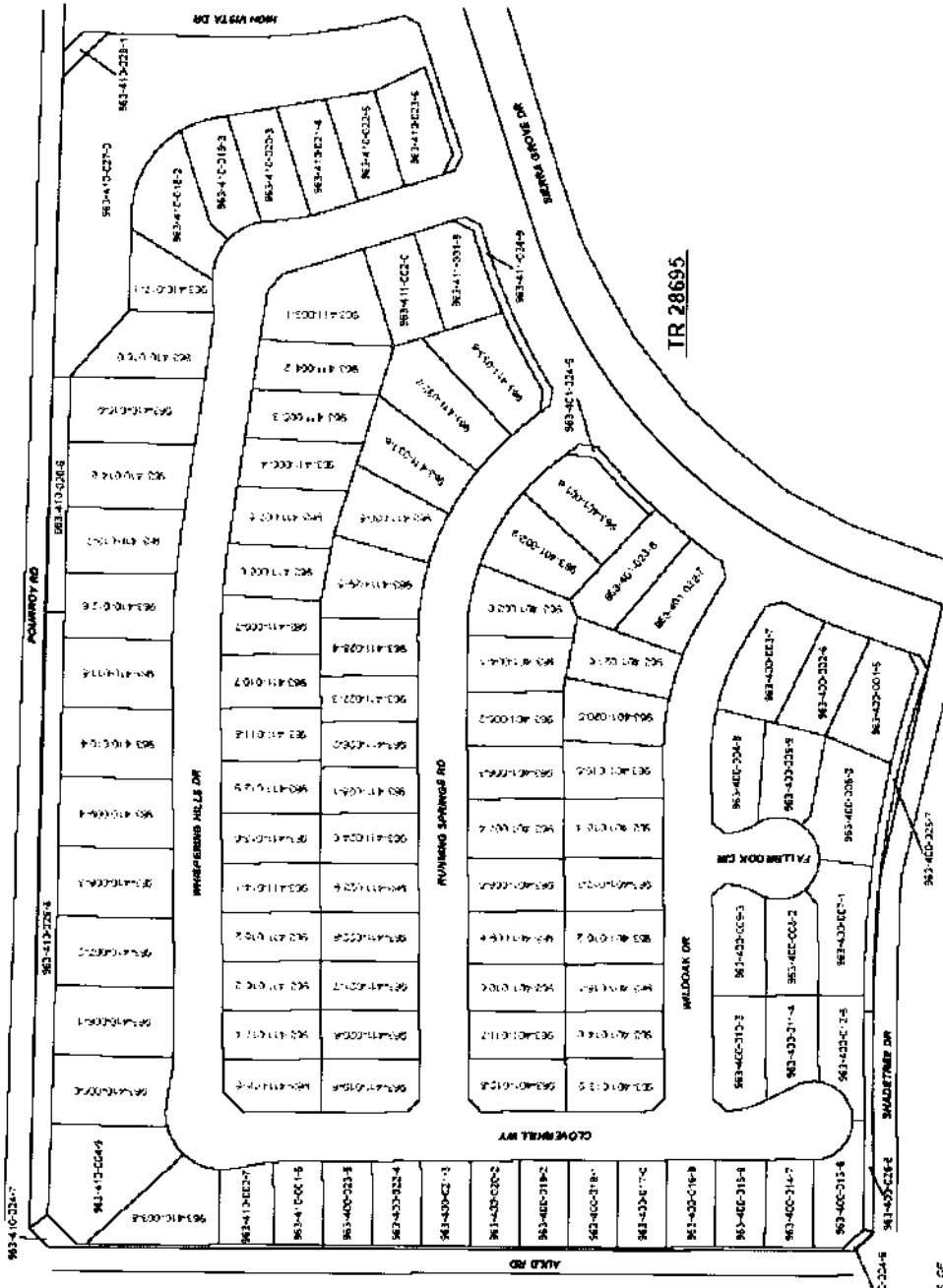
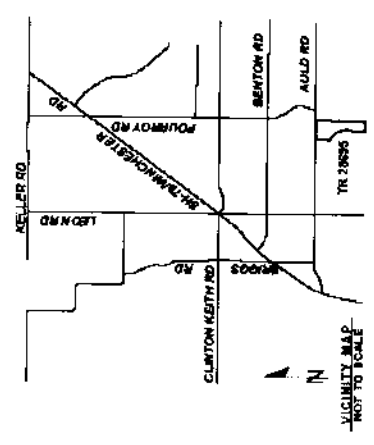
IR 33170

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT AND DETAILS CONCERNING THE COMMUNITY FACILITIES DISTRICTS OF PARCELS REFER TO THE COUNTY ASSASSOR'S MAPS FOR FISCAL YEAR 2005-2007.

WEBB
 A. S. B. L. N.
 COUNTY ASSASSOR'S MAPS

NOT TO SCALE

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



LEGEND

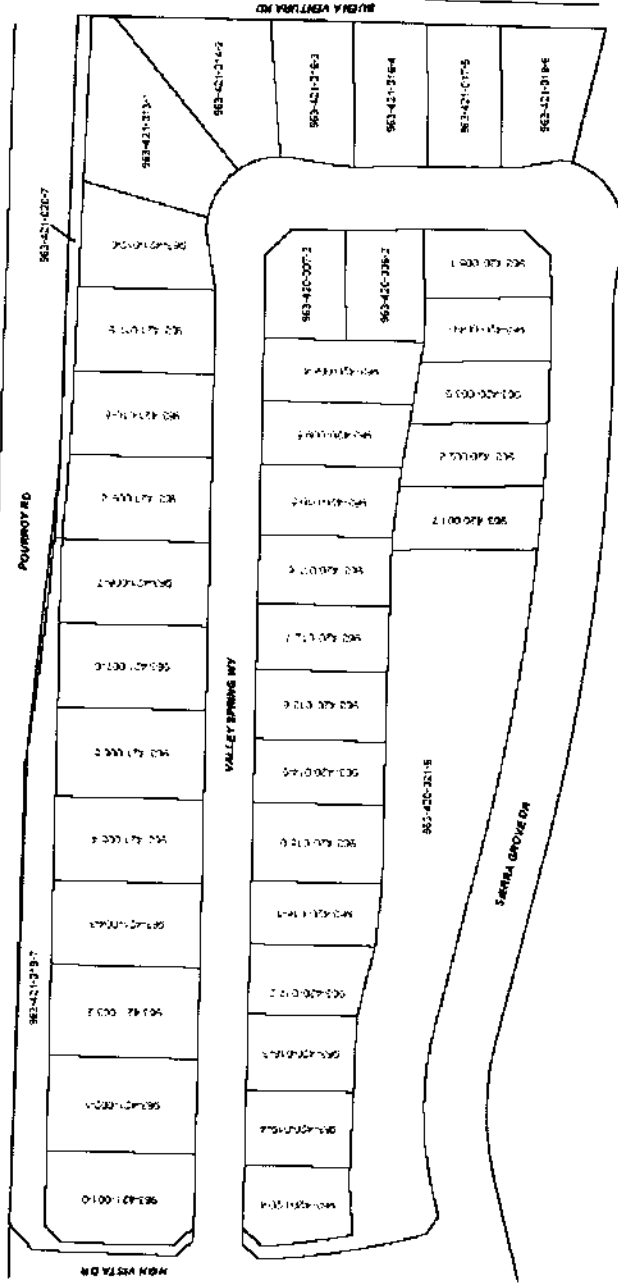
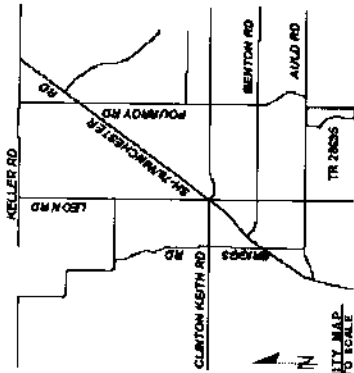
TRACT BOUNDARY
 PARCEL LINE
 TR XXXX TRACT MAP
 XXX-XXX-XXX-XX APN

WEBB
 ENGINEERS & ARCHITECTS
 1000 W. GARDEN ST.
 ANAHEIM, CALIF. 92805
 (714) 771-1111

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 ASSESSORS MAPS FOR FISCAL YEAR 2009-2011.

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

TR 28695



LEGEND
 TRACT BOUNDARY
 PRICE LINE
 TR XXXXX
 XXXXXXXXXX APN

WEBB
 ASSOCIATES
 THIS BOUNDARY MAP CORRECTLY SHOWS THE SQUARE FEET OF THE COMMUNITY FACILITIES DISTRICT FOR DETAIL GOVERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSORS MAPS FOR FISCAL YEAR 2000-2001.

NOT TO SCALE

CFD No. 07-2
Ms Linda Angela Morelli
32075 Yates Rd
Winchester, CA 92596

RESOLUTION NO. 2007-287

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE MODIFYING THE RESOLUTION OF
INTENTION AND APPROVING AN AMENDED AND
RESTATED RATE AND METHOD OF APPORTIONMENT
FOR COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH) OF THE COUNTY OF RIVERSIDE**

WHEREAS, on May 8, 2007, the Board of Supervisors (the "Board of Supervisors") of the County of Riverside (the "County"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), commencing with Section 53311 of the California Government Code (the "Government Code"), adopted Resolution No. 2007-189 (the "Resolution of Intention"), stating its intention to establish a community facilities district (the "Community Facilities District"), proposed to be named Community Facilities District No. 07-2 (Clinton Keith) of the County of Riverside, and to authorize the levy of special taxes to finance certain public facilities and setting June 12, 2007 as the date for a public hearing to be held on the establishment of the Community Facilities District;

WHEREAS, pursuant to the Resolution of Intention, notice of such public hearing was published in *The Press-Enterprise* on June 1, 2007, and mailed by first class mail, postage prepaid to all registered voters and landowners within the Community Facilities District on May 23, 2007, in accordance with the Act;

WHEREAS, on this date, the Board of Supervisors opened said public hearing;

WHEREAS, the rate and method of apportionment of the special tax (the "Original Rate and Method") originally proposed to be levied within the Community Facilities District is described in Exhibit A to the Resolution of Intention;

WHEREAS, it has been proposed that the Original Rate and Method be modified to reduce the Assigned Special Tax rates for Developed Property and Approved Property, to reduce the Maximum Special Tax rate for Undeveloped Property, Property Owners' Association Property and Public Property, to clarify certain provisions of the Backup Special Tax and to make certain other technical clarifications;

WHEREAS, Section 53325 of the Act provides that the legislative body of a local agency may modify the resolution of intention by changing the rate or method of apportionment of the proposed

1 special tax so as to reduce the maximum special tax for all or a portion of the owners of property within
2 the proposed district at the public hearing on the establishment of the proposed district; and

3 **WHEREAS**, the Board of Supervisors desires to so modify the Original Rate and Method;

4 **NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF**
5 **RIVERSIDE**, in regular session assembled on June 12, 2007, does hereby resolve, find, determine and
6 order as follows:

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

8 **Section 2.** The Resolution of Intention is hereby modified so as to amend and restate the Original
9 Rate and Method in its entirety, as reflected in the Amended and Restated Rate and Method of
10 Apportionment of Special Tax attached hereto as Exhibit A, which is by this reference incorporated
11 herein.

12 **Section 3.** This Resolution shall take effect immediately upon its adoption.

13 ///

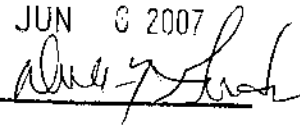
14 **ADOPTED, SIGNED AND APPROVED** this 12th day of June, 2007, by the Board of Supervisors of the
15 County of Riverside.

16
17
18 By: _____
19 John Tavaglione,
Chairman of the Board of Supervisors

20 **ATTEST:**
21 Nancy Romero,
22 Clerk of the Board of Supervisors

23
24
25
26
27
28
FORM APPROVED
COUNTY COUNSEL

By: _____
Deputy Clerk

JUN 6 2007
BY 
Dale A. Gardner

1 **STATE OF CALIFORNIA)**
2 **COUNTY OF RIVERSIDE)** **ss.**

3 I, Nancy Romero, Clerk to the Board of Supervisors of the County of Riverside,
4 California, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution
5 No. 2007-287 of the Board of Supervisors of said County, and that the same has not been amended or
6 repealed.

7
8 **IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of
9 the County of Riverside this ____ day of _____, 2007.

10
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12
13 By: _____
14 Deputy Clerk
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EXHIBIT A

PROPOSED AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

[See Attached 30 Pages]

**AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF
SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
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. 07-2 (Clinton Keith) 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 Special Tax for each category of Taxable Property. All real property within the CFD 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 that 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 parcel(s), lot(s) or units(s) of Taxable Property not classified as Public Property or Property Owners’ Association 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 an official map of the Assessor of the County designating Parcels by Assessor Parcel Number.

“Assessor’s Parcel Number” means the number assigned by the Assessor of the County for a Parcel on an Assessor’s Parcel Map.

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

“Assumed Administrative Expenses” means (a) for Fiscal Year 2007-2008, \$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 June 30 in such Fiscal Year, by 2.00% 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.

“Building Permit” means a building permit issued by the County (or another public agency in the event the County no longer issues such permits) for new construction.

“CFD” means Community Facilities District No. 07-2 (Clinton Keith) of the County established pursuant to the Act and identified by the Boundary Map attached as Exhibit A.

“County” means the County of Riverside.

“Developed Property” means, for each Fiscal Year, all parcel(s), lot(s) or unit(s) of Taxable

Property, not classified as Public Property 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 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 parcel(s), lot(s) or unit(s) 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.

“Land Use Category” means any of the following land use categories: Single Family Property, Multifamily Property, Non-Residential Property, Undeveloped Property, Public Property and Property Owners' 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, with respect to a Land Use Category, for each Fiscal Year, the maximum Special Tax which can be levied in such Fiscal Year on any Parcel, determined in accordance with Section C., below.

“Multifamily Property” means, for each Fiscal Year, any parcel, lot or unit of Residential Property for which a building permit can or has been issued for attached or detached residential units in a development that has a density of greater than eight (8) Residential Dwelling Units per gross acre, as recorded on a Final Map or as determined by the Administrator.

"Multiple Land Use Property" means, for each Fiscal Year, all parcels of 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, an individual legal lot 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 or is identified on a Final Map as common area to be owned by a property owners' 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, 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, is the same for all Parcels of Approved Property, (iii) Undeveloped Property, that the ratio of the actual Special Tax levy per taxable Acre to the

Maximum Special Tax per taxable Acre is the same for all Parcels of Undeveloped Property, and (iv) 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 Parcels of Public Property and/or Property Owners' Association Property, that is not Exempt 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.

“RDU” means Residential Dwelling Unit.

“Residential Dwelling Unit” means, for each Fiscal Year, a building or portion thereof on a Parcel intended for use by one (1) family and containing but one (1) kitchen, which is designed primarily for residential occupancy including single family and multifamily dwellings. Residential Dwelling Unit shall not include hotels or motels.

“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/or 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, lot or unit of Residential Property for which a building permit can or has been issued for attached or detached residential units in a development that has a density of eight (8) Residential Dwelling Units to the gross acre or less, as recorded on a Final Map or 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 authorized to be financed by the CFD, 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.

“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 not classified as Developed Property, Approved Property, Public Property, or Property Owners’ Association Property and which is not otherwise Exempt Property pursuant to Section E

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year in which the Special Tax is levied, all Parcels shall be categorized as either 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 Amended and Restated Rate and Method of Apportionment as determined pursuant to Sections C., D., and E., below. Developed Property and Approved

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 Developed Property that is Single Family or Multifamily 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 for each Parcel of Developed Property that is Non-Residential Property shall be the Assigned Special Tax determined pursuant to Section C.1.b, below.

b. Assigned Special Tax

For Fiscal Year 2007-2008, the Assigned Special Tax for each Parcel of Developed Property, except Multiple Land Use Property, shall be as described in Table 1 below:

TABLE 1
Developed Property
Assigned Special Taxes
For Fiscal Year 2007-2008

Land Use Category	Taxable Parcel/Acre	Assigned Special Tax Per Parcel
1 - Single Family Property	RDU	\$ 1,049 per RDU
2. - Multifamily Property	RDU	\$ 795 per RDU
3 - Non - Residential Property	Acre	\$ 6,586 per Acre

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.

c. Backup Special Tax

(i) If the number of RDU of Single Family Property or Multifamily Property in a specific Final Map is equal to or greater than the proposed number of such RDUs listed in Table 2 below for the corresponding Final Map, the Backup Special Tax for each Parcel of Single Family Property and Multifamily Property that is Developed Property shall be the Assigned Special Tax for such Parcel at the time such Taxable Property becomes Developed Property.

(ii) If the number of RDUs of Single Family Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 below for the corresponding Final Map, then the Backup Special Tax for each RDU of Single Family Property within said Final Map shall equal (x) the number of RDUs of Single Family Property identified in Table 2 below multiplied by the Assigned Special Tax for Single Family Property shown in Table 1, as increased in accordance with Section C.1.b., divided by (y) the number of RDUs of Single Family Property within such Final Map.

(iii) If the number of RDU of Single Family Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Single Family Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such RDU of Single Family Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Single Family Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Single Family Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

(iv) If the number of RDU of Multifamily Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 below for the corresponding Final Map, then the Backup Special Tax for each RDU of Multifamily Property within said Final Map shall equal (x) the number of RDUs of

Multifamily Property identified in Table 2 below multiplied by the Assigned Special Tax for Multifamily Property shown in Table 1 as increased in accordance with Section C.1.b., divided by (y) the number of RDUs of Multifamily Property within such Final Map.

(v) If the number of RDUs of Multifamily Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such RDU of Multifamily Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Multifamily Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Multifamily Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

TABLE 2
Proposed Residential Dwelling
Units Per Tract

Final Map	Single Family RDU	Multifamily RDU
33170	140	0
32151	0	180
33307	41	0
30433	502	0
30694	81	0
30695	48	0
30695-1	59	0
30696-1	71	0
30696-F	38	0
30696-4	88	0
30696-2	69	0

Final Map	Single Family RDU	Multifamily RDU
30696-3	172	0
32289	197	0
32290-1	135	0
32290-2	166	0
32290-3	138	0
32290-4	267	0
32290-F	102	0
35328	38	0
28695	140	0
30430	117	0
32011	33	0
34324	0	122

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 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

a. Maximum Special Tax

The Maximum Special Tax for each Parcel of Approved Property that is Single Family or Multifamily Property shall be the greater of: (i) the applicable Assigned Special Tax set forth in Table 3, or (ii) the amount derived by application of the Backup Special Tax.

The Maximum Special Tax for each Parcel of Approved Property that is Non-Residential Property shall be the Assigned Special Tax set forth in Table 3, below.

b. Assigned Special Tax

For Fiscal Year 2007-2008, the Assigned Special Tax for each Parcel of Approved Property, except Multiple Land Use Property, shall be described in Table 3 below:

TABLE 3
Approved Property
Assigned Special Taxes
For Fiscal Year 2007-2008

Land Use Category	Taxable Parcel/Acre	Assigned Special Tax Per Parcel
1 – Single Family Property	RDU	\$ 1,049 per RDU
2 – Multifamily Property	RDU	\$ 795 per RDU
3 - Non – Residential Property	Acre	\$ 6,586 per Acre

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.

c. Backup Special Tax

(i) If the number of RDU of Single Family Property or Multifamily Property in a specific Final Map is equal to or greater than the proposed number of such RDUs listed in Table 2 above for the corresponding Final Map, the Backup Special Tax

for each Parcel of Single Family Property and Multifamily Property that is Approved Property shall be the Assigned Special Tax for such Parcel at the time such Taxable Property becomes Approved Property.

(ii) If the number of RDU of Single Family Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 above for the corresponding Final Map, then the Backup Special Tax for each RDU of Single Family Property within said Final Map shall equal (x) the number of RDUs of Single Family Property identified in Table 2 above multiplied by the Assigned Special Tax for Single Family Property shown in Table 3, as increased in accordance with Section C.2.b., divided by (y) the number of RDUs of Single Family Property within such Final Map.

(iii) If the number of RDUs of Single Family Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Single Family Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such RDU of Single Family Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Single Family Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Single Family Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

(iv) If the number of RDU of Multifamily Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 above for the corresponding Final Map, then the Backup Special Tax for each RDU of Multifamily Property within said Final Map shall equal (x) the number of RDUs of Multifamily Property identified in Table 2 above multiplied by the Assigned Special Tax for Multifamily Property shown in Table 3 as increased in accordance with Section C.2.b., divided by (y) the number of RDUs of Multifamily Property within such Final Map.

(v) If the number of RDUs of Multifamily Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such

RDU of Multifamily Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Multifamily Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Multifamily Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

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 Approved Property 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.

3. Undeveloped Property, Property Owners' Association Property and Public Property.

The Maximum Special Tax for each Parcel of Undeveloped Property, Property Owners' Association Property and Public Property is \$ 6,586 per Acre, times the Acreage of the Parcel.

For each Fiscal Year following Fiscal Year 2007-2008, the Maximum Special Tax

for Undeveloped Property, Property Owners' Association Property and Public Property shall increase by an amount equal to 2.00% of the Maximum 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 in accordance with the following steps:

First: Prior to the issuance of Bonds, the Special Tax shall be levied on each Parcel of Developed Property at 100% of the applicable Assigned Special Tax to be applied to the cost of the facilities authorized to be financed by the CFD; subsequent to the issuance of the Bonds, the Special Tax shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax, as needed to satisfy the Special Tax Requirement;

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

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

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each

Parcel of 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.

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 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 Developed Property that is Residential Property be increased as a consequence of delinquency or default by the owner of any other Parcel or Parcels within the CFD by more than ten percent (10%).

E. EXEMPTIONS

Land 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.

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 233.98 Acres of Public Property which include, but not limited to, public streets, water and sewer facilities, and/or flood control drainage channels but excluding Public Property owned by a public school district.
- (2) The Legislative Body shall not levy Special Taxes on up to 10.36 Acres of Public Property that is owned by a public school district.
- (3) In addition to the exempt Acres of Public Property included in (1) and (2) above, the Legislative Body shall not levy Special Taxes on up to 152.25 Acres of Public Property and/or Property Owners' Association Property that is property dedicated and restricted for the use as open space, park, public streets, recreation area or habitat reserve.
- (4) In addition to the exempt Acres of Property Owners' Association Property referenced in (3) above, the Legislative Body shall not levy Special Taxes on up to 6.95 Acres of Property Owners' Association Property that is dedicated and restricted for use as private

streets or golf course.

- (5) The Legislative Body shall not levy Special Taxes on up to 16.50 Acres that has been or is required to be dedicated to a public agency, or non-profit entity pursuant to the Western Riverside County multi-species habitat conservation plan (MSHCP).

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 acreage may be prepaid 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 fifth and sixth steps of Section D. above.

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 \$33,992,560 expressed in 2007 dollars, based on proposed TUMF and RBBD fees by the Riverside County Transportation Land Management Agency and the Western Riverside Council of Governments 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 Amended and Restated 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.

1. 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.

2. Prepayment in Part

The Maximum Special Tax on a Parcel of Developed Property or Approved Property may be partially prepaid in increments of \$2,500. For purposes of determining the partial prepayment amount, the provision of Section H.1 or H.2 shall be modified as provided by the following formula:

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

These terms have the following meaning:

PP = the partial prepayment

P_F = the Prepayment Amount calculated according to Section H.1 or H.2

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

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

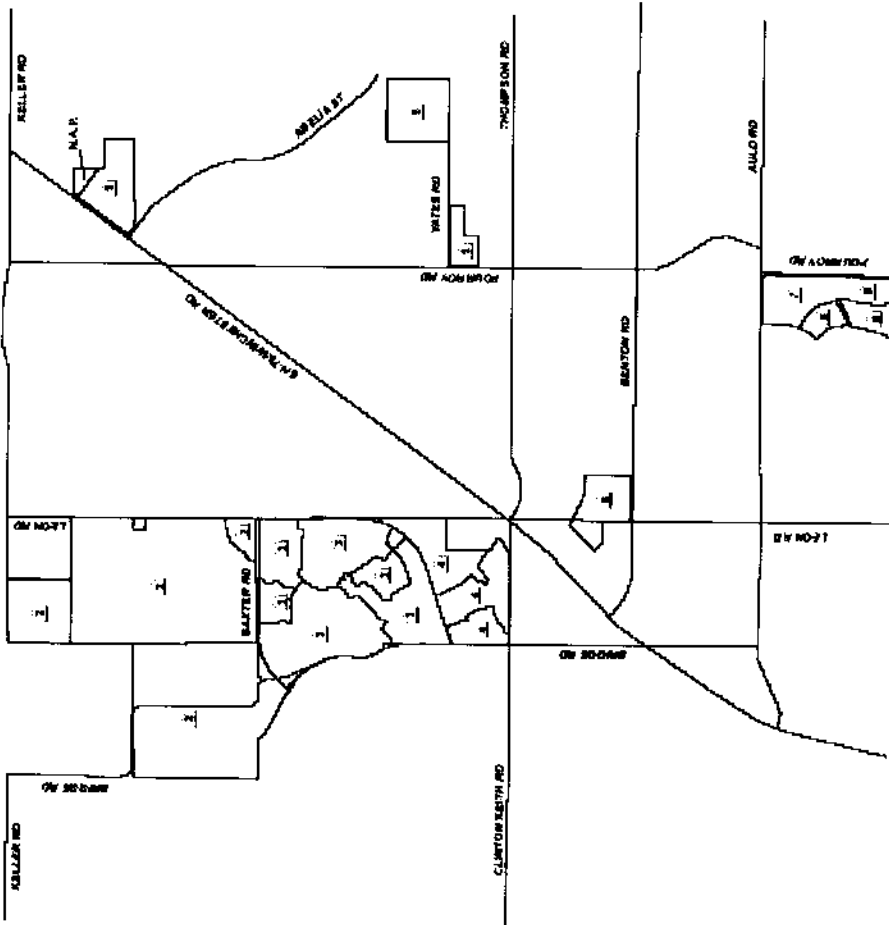
With respect to any Parcel for which the Maximum Special Tax obligation is partially prepaid, the Administrator shall (i) distribute the Partial Prepayment as provided in Paragraph 13 of Section H.2, and (ii) indicate in the records of the CFD that there has been a Partial Prepayment for the Parcel and that a portion of the Maximum Special Tax obligation equal to the remaining percentage (1.00 - F) of the Maximum Special Tax obligation will, and the Special Tax shall continue on the Parcel pursuant to Section D.

I. TERM OF THE SPECIAL TAX

Special Taxes shall be levied for the period necessary to satisfy the Special Tax Requirement, but in no event shall Special Taxes be levied after Fiscal Year 2044-2045.

EXHIBIT A

PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 07-2 (CLINTON KEITH) OF THE COUNTY OF RIVERSIDE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



WEBB
A. C. & S. ENGINEERS
1000 N. GARDEN ST.
RIVERSIDE, CALIF. 92507

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR GENERAL CONSTRUCTION THE LINES AND DIMENSIONS OF LOTS OF PARCELS REFER TO THE COUNTY ASSESSORS' MAPS FOR YEAR 1988-89

NOT TO SCALE

SHEET 1 OF 5

PROPOSED MAP OF THE COUNTY OF RIVERSIDE, CALIFORNIA, SHOWING THE BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 07-2 (CLINTON KEITH) OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

BY: [Signature] DEPUTY

I HEREBY CERTIFY THAT THE FOREGOING MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 07-2 (CLINTON KEITH) OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AT A REGULAR MEETING HELD ON THE [DATE] DAY OF [MONTH] 2007 BY ITS RESOLUTION NO. [NUMBER]

CLERK OF THE BOARD OF SUPERVISORS

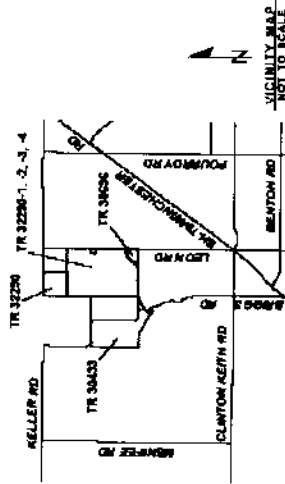
FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA THIS [DATE] DAY OF [MONTH] 2007

SHEET INDEX MAP

- LEGEND
- UNDESIGNATED
 - TRACT BOUNDARY
 - STREET NUMBER
 - N.A.P. NOT A PART

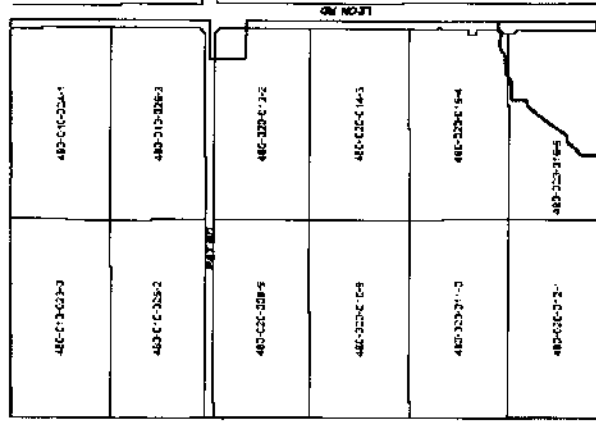
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**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

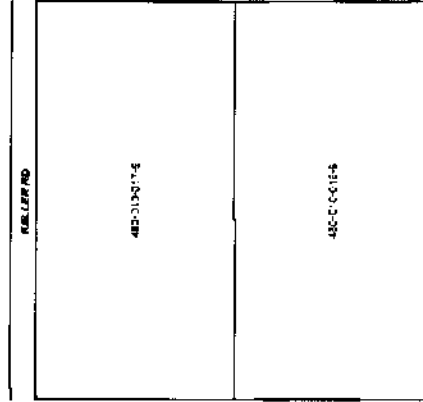


LEGEND:
 --- TRACT BOUNDARY
 --- PARCELLINE
 TR X X X X TRACT MAP
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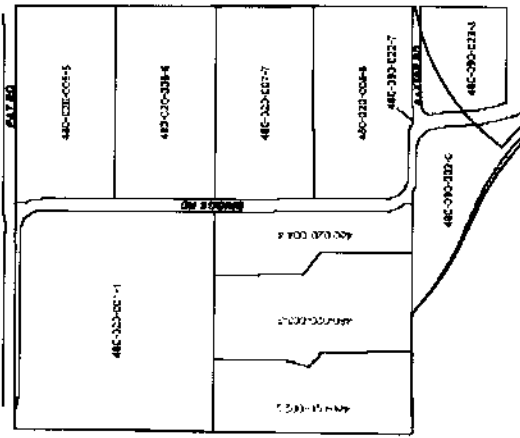
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IR 32290



IR 30433



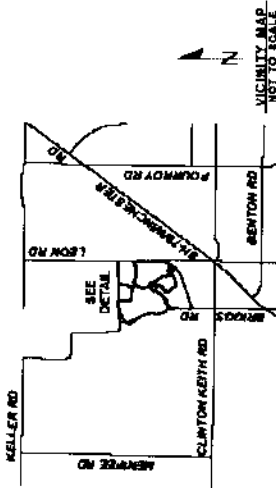
IR 30696



N
NOT TO SCALE

WEBB
 PLANNING & ENGINEERING
 430 S. G ST. SUITE 101
 RIVERSIDE, CALIFORNIA 92507
 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 2005-2007.

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



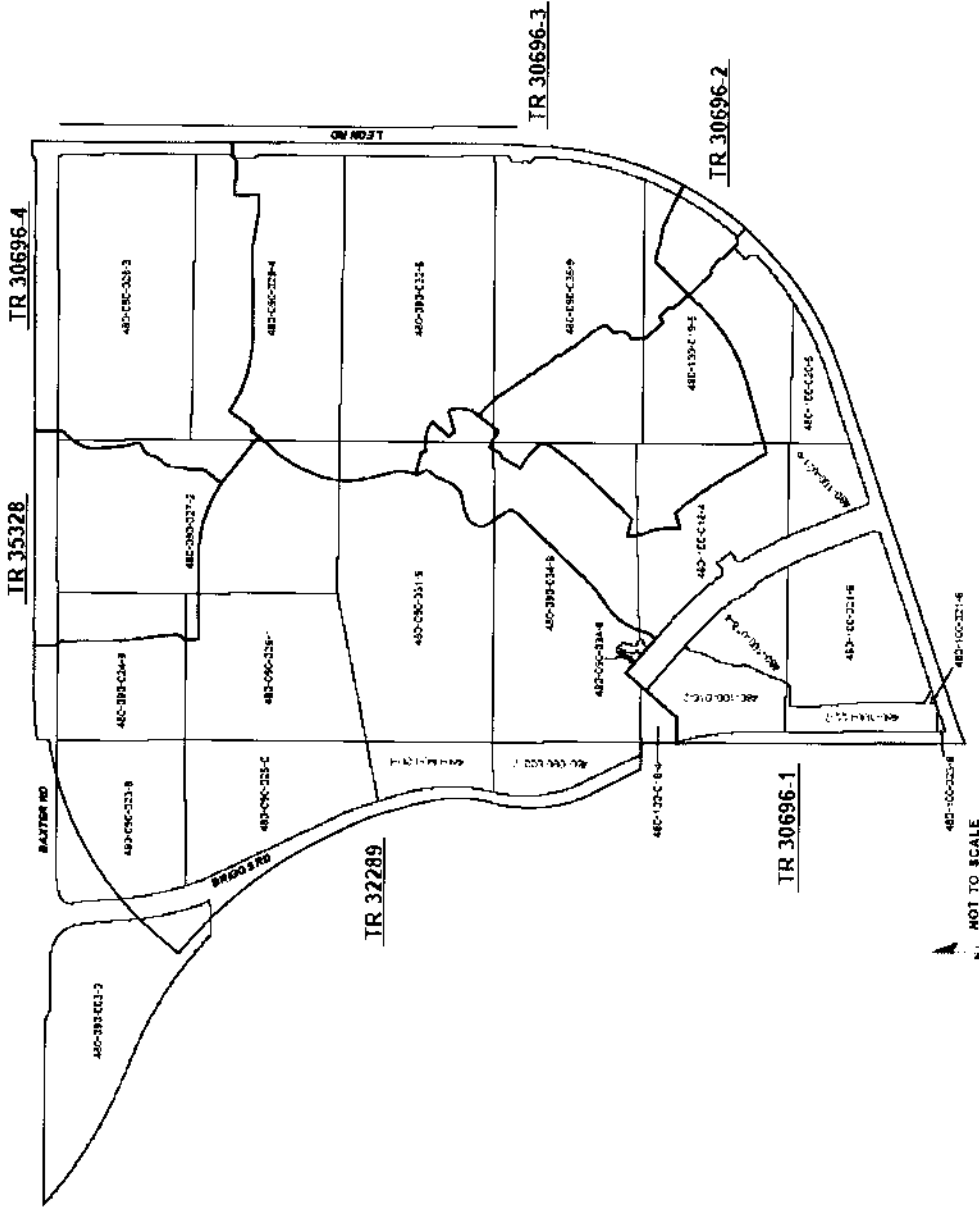
LEGEND

—— TRACT BOUNDARY

—— PARCEL LINE

TR XXXXX TRACT MAP

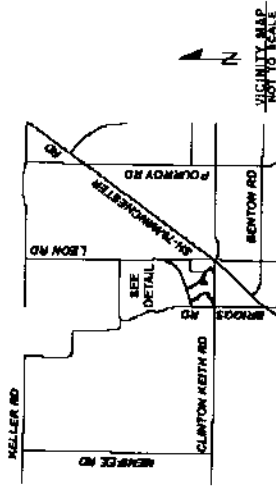
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WEBB
A. B. C. A. P. A.
INCORPORATED

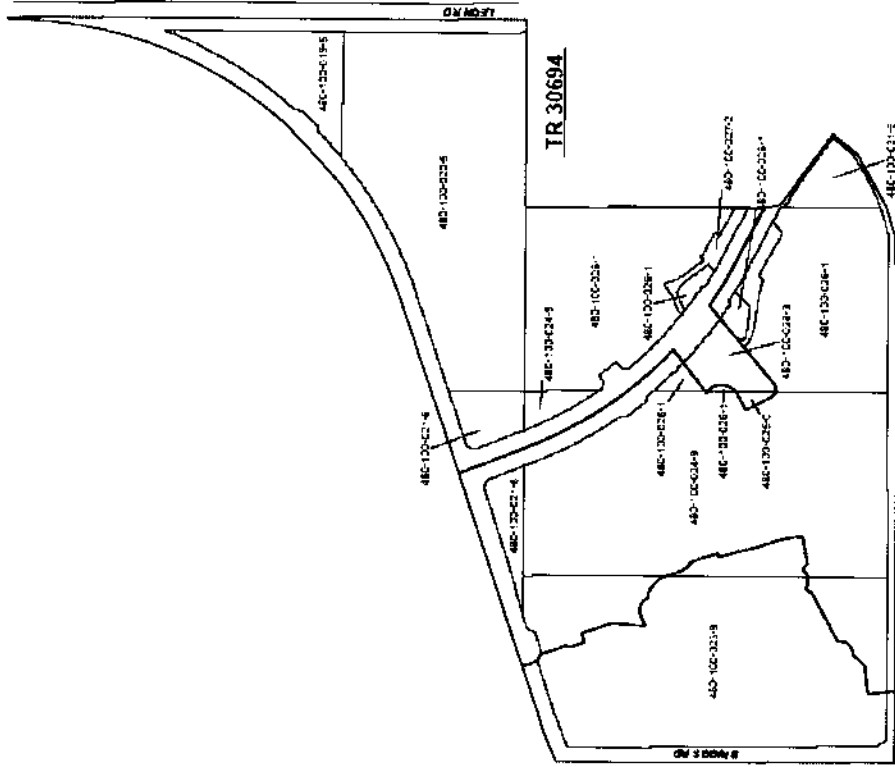
THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS GOVERNING THE COMMUNITY FACILITIES DISTRICT. LOTS OR PARCELS REFER TO THE COUNTY ASSASSOR'S MAPS FOR RECORD. 1989-200-002.

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



N
VISUALITY MAP
NOT TO SCALE

LEGEND
 TRACT BOUNDARY
 PARCELLINE
 TR XXXXX TRACT MAP
 XXXX-XXXX-XXXX-XX APN



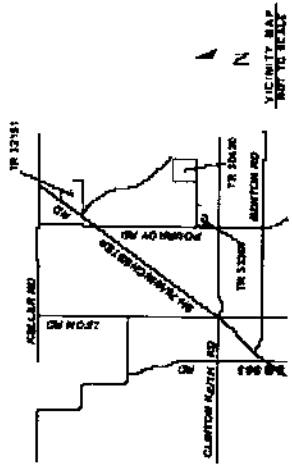
TR 30695-1

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NOT TO SCALE

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DISTRICT NO. 07-2. THE UNITS AND DIMENSIONS OF LOTS OR PARCELS REFERRED TO IN THIS COUNTY ASSESSORS' MAPS FOR FISCAL YEAR 2009-2007.



**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

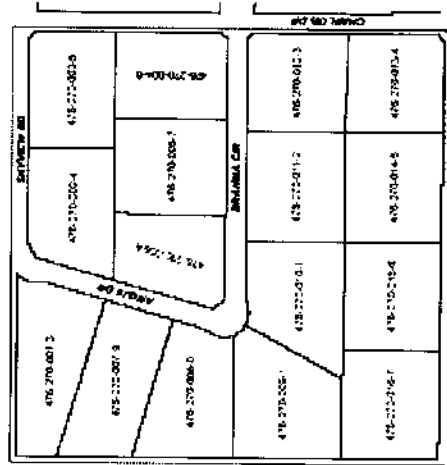


VICINITY MAP
NOT TO SCALE

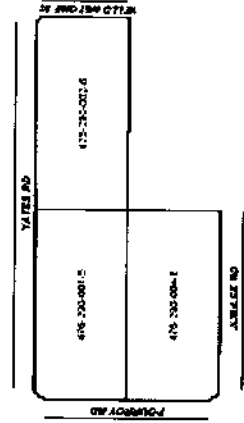
LEGEND

-----	TRACT BOUNDARY
-----	PARCEL LINE
-----	TRACT MAP
-----	APN
-----	N.A.P.

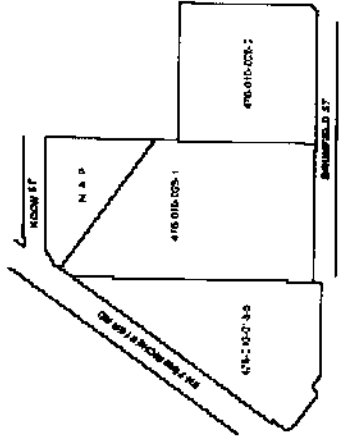
IR 30430



IR 33307



IR 32151

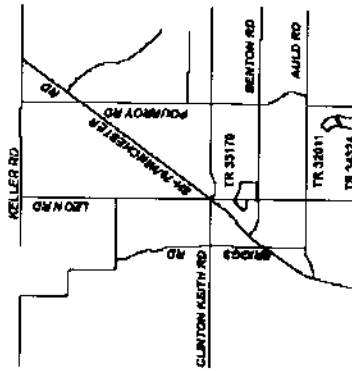


THIS AGENCY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT AND LOCAL COMMUNITY DISTRICT AND DIMENSIONS OF LOTS OF PARCELS REFER TO THE COUNTY ASSessor'S MAPS FOR YEAR 2008-2009



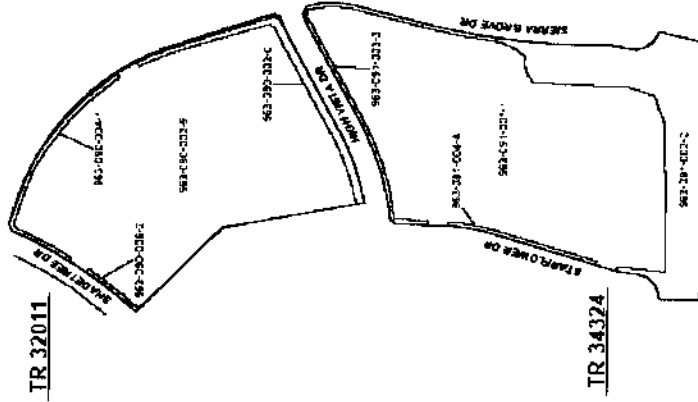
NOT TO SCALE

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



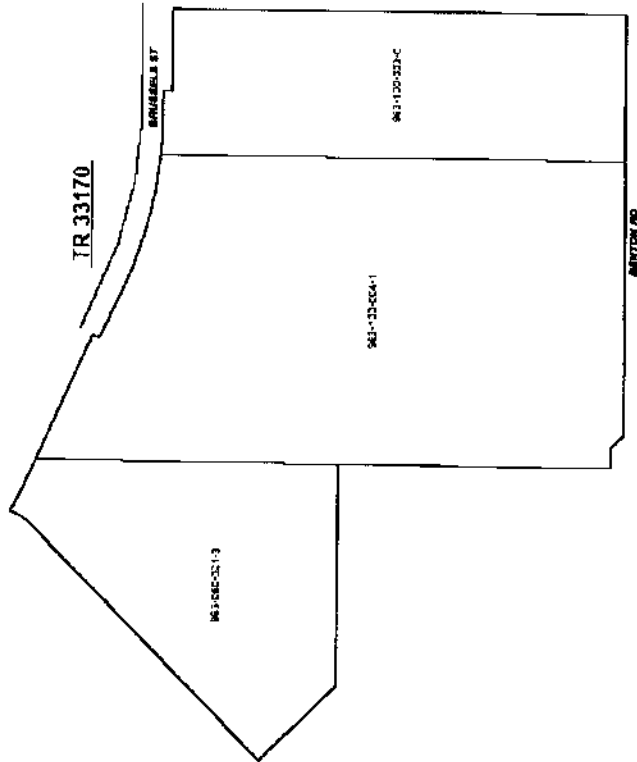
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VICINITY MAP
NOT TO SCALE

LEGEND
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TR 32011

TR 34324



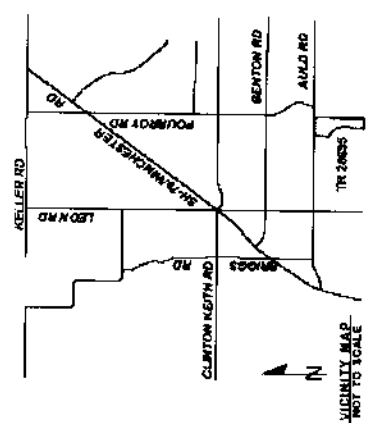
TR 33170

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS CONCERNING THE BOUNDARIES OF THE DISTRICT OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2005-06.

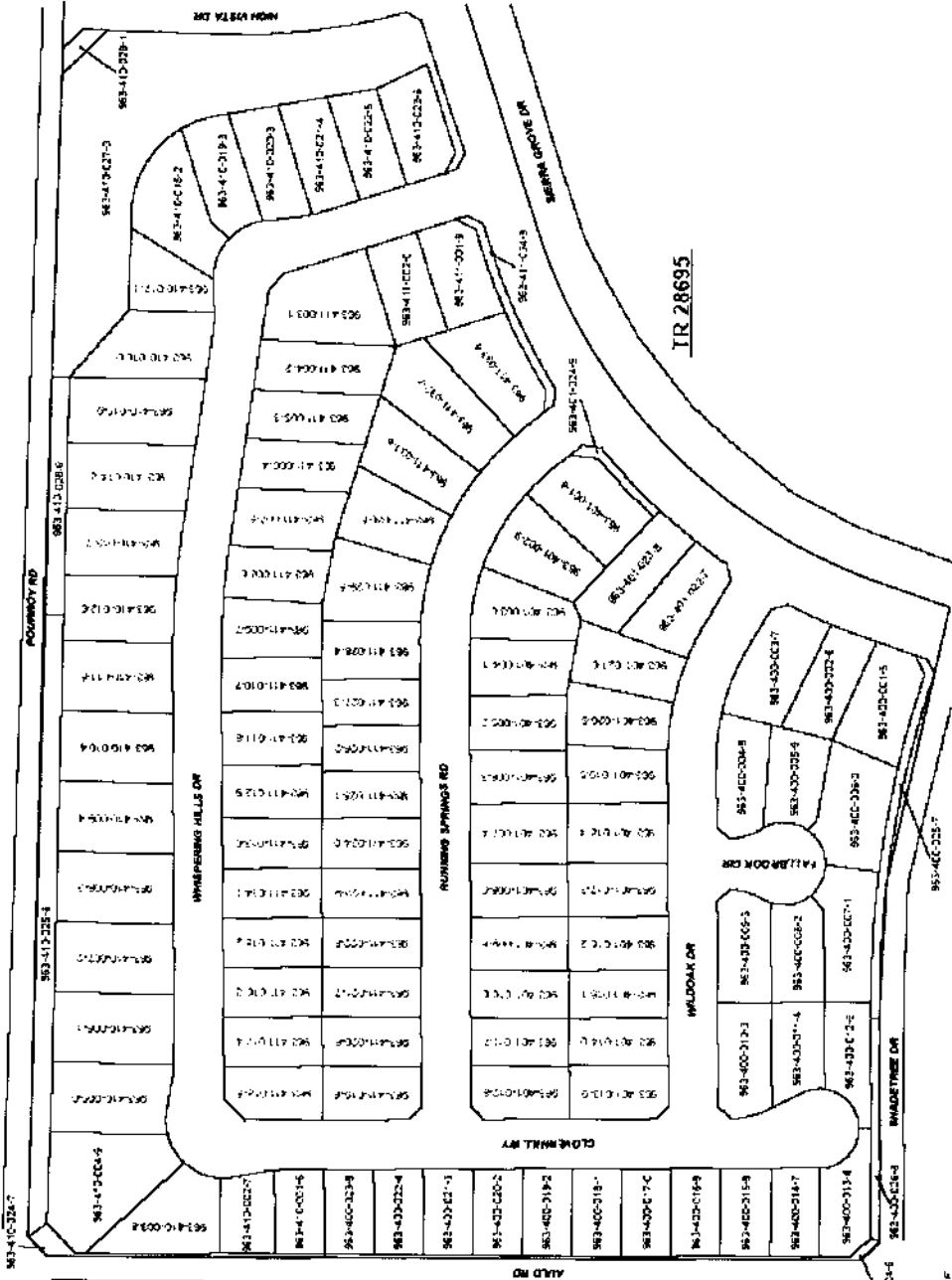
WEBB
 A. S. C. A. I. C. S.
 COUNTY ASSESSOR

N
NOT TO SCALE

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



- LEGEND**
- TRACT BOUNDARY
 - PARCEL LINE
 - TR XXXXX TRACT MAP
 - XXX-XXX-XXX-XX APN



WEBB
A.L.S. & A.
PLANNERS
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.
INDICATING TRACT MAPS

BARBARA DUNMORE
Registrar of Voters



2724 Gateway Drive
Riverside, CA 92507-0918
(951) 486-7200
FAX (951) 486-7272
www.voteinfo.net

REGISTRAR OF VOTERS
COUNTY OF RIVERSIDE

CERTIFICATE OF REGISTRAR OF VOTERS

State of California)
) ss
County of Riverside)

I, **BARBARA DUNMORE**, Registrar of Voters of said County, hereby certify that:

(A) I have been furnished a map describing the boundaries of the territory of the proposed Formation of Community Facilities District No. 07-2, of the County of Riverside, State of California;

(B) On May 24, 2007, I conducted, or caused to be conducted, a review of the voter registration records of the County of Riverside for purpose of determining the number of voters registered to vote within the territory of the proposed Formation of Community Facilities District No. 07-2;

(C) There is 1 registered voter residing within the boundaries of the proposed Formation to Community Facilities District No. 07-2.

IN WITNESS WHEREOF, I have executed this Certificate on this 24th day of May 2007.

A handwritten signature in cursive script that reads "Barbara Dunmore".

BARBARA DUNMORE
Registrar of Voters

COMMUNITY FACILITIES DISTRICT REPORT

**PREPARED FOR
BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE**

**COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH ROAD)
OF THE COUNTY OF RIVERSIDE**



JUNE 2007

Prepared by:

ALBERT A. WEBB ASSOCIATES
Consulting Engineers
3788 McCray Street
Riverside, CA 92506

AGENCY: BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE

PROJECT: COMMUNITY FACILITIES DISTRICT NO. 07-2 (CLINTON KEITH ROAD) OF THE COUNTY OF RIVERSIDE

**COMMUNITY FACILITIES DISTRICT REPORT
"MELLO-ROOS COMMUNITY FACILITIES DISTRICT ACT OF 1982"**

The Board of Supervisors of the County of Riverside (respectively, the "Board of Supervisors" and the "County") on May 8, 2007 adopted Resolution No. 2007-189 (the "Resolution of Intention), declaring its intention to establish Community Facilities District No. 07-2 (Clinton Keith Road) of the County of Riverside (the "Community Facilities District"), pursuant to the provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California., (the "Act"). Section 9 of the Resolution of Intent directs that the appropriate officers of the County prepare and file a written report (the "Report") with the Clerk of the Board of Supervisors.

The Resolution ordering said Report did direct that said Report generally contain the following:

- Description of the Facilities
- Estimate of costs of Facilities
- Description of incidental expenses of the Facilities

For particulars, reference is made to the Resolution of Intention as previously approved and adopted.

NOW, THEREFORE, the undersigned, an officer of the County, has caused to be prepared this Report consistent with provision of the Act and the Resolution of Intention and does hereby submit the following data:

For a map of the boundaries of CFD No. 07-2 see Exhibit A.

A. DESCRIPTION OF THE 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, and storm drain facilities, environmental mitigation facilities needed in connection therewith, and land, rights-of-way and easements necessary for any of such facilities. The facilities to be provided include:

- ◆ A six-lane extension of Clinton Keith Road from its current terminus at Antelope Road to the intersection of SR 79 and Benton and all intersection improvements

B. ESTIMATE OF COSTS OF FACILITIES

The facilities are planned to be constructed during the next five to ten years. The following is the current estimated cost of the facilities.

IMPROVEMENTS	TOTAL ESTIMATED COST
CFD Facilities Cost	\$33,992,560
County Contribution ⁽¹⁾	\$25,133,776
Funding Security Agreement ⁽²⁾	\$11,873,664
TOTAL	\$71,000,000

⁽¹⁾ Includes collections from other development projects for the Project, County traffic signal development impact fees funds, existing TUMF funds and existing RBBD funds

⁽²⁾ Consists of Developer Letter of Credit and Cash Funding Security

C. ESTIMATE OF COSTS OF INCIDENTAL EXPENSES

DESCRIPTION	TOTAL ESTIMATED COST
Bond Issuance	\$1,816,000
District Administration (approx. annual)	\$70,000
Debt Service Reserve Fund	\$3,724,500
Underwriter's Discount	\$908,000
Capitalized Interest through 9/01/09	\$4,888,067
Additional Proceeds	\$873
TOTAL	\$11,407,440

The Board of Supervisors on May 8, 2007 adopted Resolution No. 2007-190 declaring its intention to incur bonded indebtedness of not to exceed \$60,000,000. The CFD proposes to issue bonds in the amount of \$45,400,000 which consists of \$33,992,560 for facilities cost and an additional \$11,407,440 in incidental expenses. The Special Taxes levied by the District will provide funding for the acquisition or construction of the facilities, funding for incidental expenses and fund debt service requirements of bonded indebtedness issued to fund the facilities and incidental expenses of the District.

It is the opinion of the staff of the Transportation Department and the County Executive Office that the Facilities, at the stated design levels, will adequately meet the traffic circulation requirements for the approved residential and commercial development within the Community Facilities District.

DATED June 6, 2007

County Executive Office
Special District Division

By: _____
Dean Deines
Deputy County Executive Officer

Attachment:

Amended and Restated Rate and Method of Apportionment for Clinton Keith Road CFD
07-2

Exhibit A- Boundary Map

EXHIBIT A

**AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF
SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
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. 07-2 (Clinton Keith) 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 Special Tax for each category of Taxable Property. All real property within the CFD 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 that 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 parcel(s), lot(s) or units(s) of Taxable Property not classified as Public Property or Property Owners’ Association 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 an official map of the Assessor of the County designating Parcels by Assessor Parcel Number.

“Assessor’s Parcel Number” means the number assigned by the Assessor of the County for a Parcel on an Assessor’s Parcel Map.

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

“Assumed Administrative Expenses” means (a) for Fiscal Year 2007-2008, \$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 June 30 in such Fiscal Year, by 2.00% 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.

“Building Permit” means a building permit issued by the County (or another public agency in the event the County no longer issues such permits) for new construction.

“CFD” means Community Facilities District No. 07-2 (Clinton Keith) of the County established pursuant to the Act and identified by the Boundary Map attached as Exhibit A.

“County” means the County of Riverside.

“Developed Property” means, for each Fiscal Year, all parcel(s), lot(s) or unit(s) of Taxable

Property, not classified as Public Property 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 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 parcel(s), lot(s) or unit(s) 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.

“Land Use Category” means any of the following land use categories: Single Family Property, Multifamily Property, Non-Residential Property, Undeveloped Property, Public Property and Property Owners' 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, with respect to a Land Use Category, for each Fiscal Year, the maximum Special Tax which can be levied in such Fiscal Year on any Parcel, determined in accordance with Section C., below.

“Multifamily Property” means, for each Fiscal Year, any parcel, lot or unit of Residential Property for which a building permit can or has been issued for attached or detached residential units in a development that has a density of greater than eight (8) Residential Dwelling Units per gross acre, as recorded on a Final Map or as determined by the Administrator.

"Multiple Land Use Property" means, for each Fiscal Year, all parcels of 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, an individual legal lot 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 or is identified on a Final Map as common area to be owned by a property owners' 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, 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, is the same for all Parcels of Approved Property, (iii) Undeveloped Property, that the ratio of the actual Special Tax levy per taxable Acre to the

Maximum Special Tax per taxable Acre is the same for all Parcels of Undeveloped Property, and (iv) 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 Parcels of Public Property and/or Property Owners' Association Property, that is not Exempt 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.

"RDU" means Residential Dwelling Unit.

"Residential Dwelling Unit" means, for each Fiscal Year, a building or portion thereof on a Parcel intended for use by one (1) family and containing but one (1) kitchen, which is designed primarily for residential occupancy including single family and multifamily dwellings. Residential Dwelling Unit shall not include hotels or motels.

"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/or 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, lot or unit of Residential Property for which a building permit can or has been issued for attached or detached residential units in a development that has a density of eight (8) Residential Dwelling Units to the gross acre or less, as recorded on a Final Map or 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 authorized to be financed by the CFD, 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.

“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 not classified as Developed Property, Approved Property, Public Property, or Property Owners’ Association Property and which is not otherwise Exempt Property pursuant to Section E

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year in which the Special Tax is levied, all Parcels shall be categorized as either 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 Amended and Restated Rate and Method of Apportionment as determined pursuant to Sections C., D., and E., below. Developed Property and Approved

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 Developed Property that is Single Family or Multifamily 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 for each Parcel of Developed Property that is Non-Residential Property shall be the Assigned Special Tax determined pursuant to Section C.1.b, below.

b. Assigned Special Tax

For Fiscal Year 2007-2008, the Assigned Special Tax for each Parcel of Developed Property, except Multiple Land Use Property, shall be as described in Table 1 below:

TABLE 1
Developed Property
Assigned Special Taxes
For Fiscal Year 2007-2008

Land Use Category	Taxable Parcel/Acre	Assigned Special Tax Per Parcel
1 – Single Family Property	RDU	\$ 1,049 per RDU
2. – Multifamily Property	RDU	\$ 795 per RDU
3 - Non – Residential Property	Acre	\$ 6,586 per Acre

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.

c. Backup Special Tax

(i) If the number of RDU of Single Family Property or Multifamily Property in a specific Final Map is equal to or greater than the proposed number of such RDUs listed in Table 2 below for the corresponding Final Map, the Backup Special Tax for each Parcel of Single Family Property and Multifamily Property that is Developed Property shall be the Assigned Special Tax for such Parcel at the time such Taxable Property becomes Developed Property.

(ii) If the number of RDUs of Single Family Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 below for the corresponding Final Map, then the Backup Special Tax for each RDU of Single Family Property within said Final Map shall equal (x) the number of RDUs of Single Family Property identified in Table 2 below multiplied by the Assigned Special Tax for Single Family Property shown in Table 1, as increased in accordance with Section C.1.b., divided by (y) the number of RDUs of Single Family Property within such Final Map.

(iii) If the number of RDU of Single Family Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Single Family Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such RDU of Single Family Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Single Family Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Single Family Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

(iv) If the number of RDU of Multifamily Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 below for the corresponding Final Map, then the Backup Special Tax for each RDU of Multifamily Property within said Final Map shall equal (x) the number of RDUs of

Multifamily Property identified in Table 2 below multiplied by the Assigned Special Tax for Multifamily Property shown in Table 1 as increased in accordance with Section C.1.b., divided by (y) the number of RDUs of Multifamily Property within such Final Map.

(v) If the number of RDUs of Multifamily Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such RDU of Multifamily Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Multifamily Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Multifamily Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

TABLE 2
Proposed Residential Dwelling

Final Map	Units Per Tract	
	Single Family RDU	Multifamily RDU
33170	140	0
32151	0	180
33307	41	0
30433	502	0
30694	81	0
30695	48	0
30695-1	59	0
30696-1	71	0
30696-F	38	0
30696-4	88	0
30696-2	69	0

Final Map	Single Family RDU	Multifamily RDU
30696-3	172	0
32289	197	0
32290-1	135	0
32290-2	166	0
32290-3	138	0
32290-4	267	0
32290-F	102	0
35328	38	0
28695	140	0
30430	117	0
32011	33	0
34324	0	122

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 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

a. Maximum Special Tax

The Maximum Special Tax for each Parcel of Approved Property that is Single Family or Multifamily Property shall be the greater of: (i) the applicable Assigned Special Tax set forth in Table 3, or (ii) the amount derived by application of the Backup Special Tax.

The Maximum Special Tax for each Parcel of Approved Property that is Non-Residential Property shall be the Assigned Special Tax set forth in Table 3, below.

b. Assigned Special Tax

For Fiscal Year 2007-2008, the Assigned Special Tax for each Parcel of Approved Property, except Multiple Land Use Property, shall be described in Table 3 below:

TABLE 3
Approved Property
Assigned Special Taxes
For Fiscal Year 2007-2008

Land Use Category	Taxable Parcel/Acre	Assigned Special Tax Per Parcel
1 - Single Family Property	RDU	\$ 1,049 per RDU
2 - Multifamily Property	RDU	\$ 795 per RDU
3 - Non - Residential Property	Acre	\$ 6,586 per Acre

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.

c. Backup Special Tax

(i) If the number of RDU of Single Family Property or Multifamily Property in a specific Final Map is equal to or greater than the proposed number of such RDUs listed in Table 2 above for the corresponding Final Map, the Backup Special Tax

for each Parcel of Single Family Property and Multifamily Property that is Approved Property shall be the Assigned Special Tax for such Parcel at the time such Taxable Property becomes Approved Property.

(ii) If the number of RDU of Single Family Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 above for the corresponding Final Map, then the Backup Special Tax for each RDU of Single Family Property within said Final Map shall equal (x) the number of RDUs of Single Family Property identified in Table 2 above multiplied by the Assigned Special Tax for Single Family Property shown in Table 3, as increased in accordance with Section C.2.b., divided by (y) the number of RDUs of Single Family Property within such Final Map.

(iii) If the number of RDUs of Single Family Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Single Family Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such RDU of Single Family Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Single Family Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Single Family Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

(iv) If the number of RDU of Multifamily Property in a specific Final Map is less than the proposed number of RDU identified in Table 2 above for the corresponding Final Map, then the Backup Special Tax for each RDU of Multifamily Property within said Final Map shall equal (x) the number of RDUs of Multifamily Property identified in Table 2 above multiplied by the Assigned Special Tax for Multifamily Property shown in Table 3 as increased in accordance with Section C.2.b., divided by (y) the number of RDUs of Multifamily Property within such Final Map.

(v) If the number of RDUs of Multifamily Property in a specific Final Map is subsequently changed or modified, then the Backup Special Tax shall be recalculated for each RDU of Multifamily Property within the changed or modified area of said Final Map such that the modified Backup Special Tax for each such

RDU of Multifamily Property within such changed or modified area shall equal the aggregate Backup Special Tax within the changed or modified area prior to the change or modification in such Final Map divided by the number of RDUs of Multifamily Property within such changed or modified area after the change or modification in such Final Map. For a Parcel of Multifamily Property that is not changed or modified by changes or modifications to a Final Map, the Backup Special Tax shall not be recalculated.

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 Approved Property 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.

3. Undeveloped Property, Property Owners' Association Property and Public Property.

The Maximum Special Tax for each Parcel of Undeveloped Property, Property Owners' Association Property and Public Property is \$ 6,586 per Acre, times the Acreage of the Parcel.

For each Fiscal Year following Fiscal Year 2007-2008, the Maximum Special Tax

for Undeveloped Property, Property Owners' Association Property and Public Property shall increase by an amount equal to 2.00% of the Maximum 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 in accordance with the following steps:

First: Prior to the issuance of Bonds, the Special Tax shall be levied on each Parcel of Developed Property at 100% of the applicable Assigned Special Tax to be applied to the cost of the facilities authorized to be financed by the CFD; subsequent to the issuance of the Bonds, the Special Tax shall be levied Proportionately on each Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax, as needed to satisfy the Special Tax Requirement;

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

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

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each

Parcel of 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.

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 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 Developed Property that is Residential Property be increased as a consequence of delinquency or default by the owner of any other Parcel or Parcels within the CFD by more than ten percent (10%).

E. EXEMPTIONS

Land 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.

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 233.98 Acres of Public Property which include, but not limited to, public streets, water and sewer facilities, and/or flood control drainage channels but excluding Public Property owned by a public school district.
- (2) The Legislative Body shall not levy Special Taxes on up to 10.36 Acres of Public Property that is owned by a public school district.
- (3) In addition to the exempt Acres of Public Property included in (1) and (2) above, the Legislative Body shall not levy Special Taxes on up to 152.25 Acres of Public Property and/or Property Owners' Association Property that is property dedicated and restricted for the use as open space, park, public streets, recreation area or habitat reserve.
- (4) In addition to the exempt Acres of Property Owners' Association Property referenced in (3) above, the Legislative Body shall not levy Special Taxes on up to 6.95 Acres of Property Owners' Association Property that is dedicated and restricted for use as private

streets or golf course.

- (5) The Legislative Body shall not levy Special Taxes on up to 16.50 Acres that has been or is required to be dedicated to a public agency, or non-profit entity pursuant to the Western Riverside County multi-species habitat conservation plan (MSHCP).

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 acreage may be prepaid 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 fifth and sixth steps of Section D. above.

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 \$33,992,560 expressed in 2007 dollars, based on proposed TUMF and RBBB fees by the Riverside County Transportation Land Management Agency and the Western Riverside Council of Governments 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 Amended and Restated 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.

1. 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.

2. Prepayment in Part

The Maximum Special Tax on a Parcel of Developed Property or Approved Property may be partially prepaid in increments of \$2,500. For purposes of determining the partial prepayment amount, the provision of Section H.1 or H.2 shall be modified as provided by the following formula:

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

These terms have the following meaning:

PP = the partial prepayment

P_E = the Prepayment Amount calculated according to Section H.1 or H.2

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

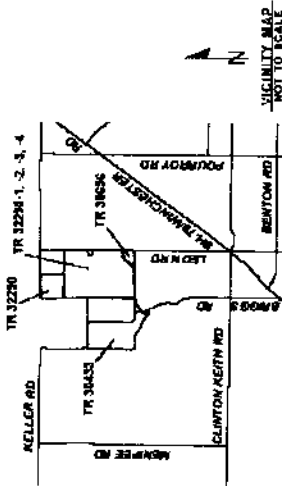
A = the Administrative Fees and Expenses determined pursuant to Section H.2

With respect to any Parcel for which the Maximum Special Tax obligation is partially prepaid, the Administrator shall (i) distribute the Partial Prepayment as provided in Paragraph 13 of Section H.2, and (ii) indicate in the records of the CFD that there has been a Partial Prepayment for the Parcel and that a portion of the Maximum Special Tax obligation equal to the remaining percentage (1.00 - F) of the Maximum Special Tax obligation will, and the Special Tax shall continue on the Parcel pursuant to Section D.

I. TERM OF THE SPECIAL TAX

Special Taxes shall be levied for the period necessary to satisfy the Special Tax Requirement, but in no event shall Special Taxes be levied after Fiscal Year 2044-2045.

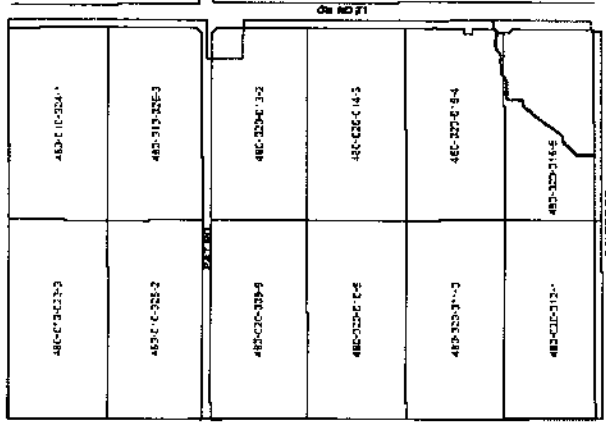
**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



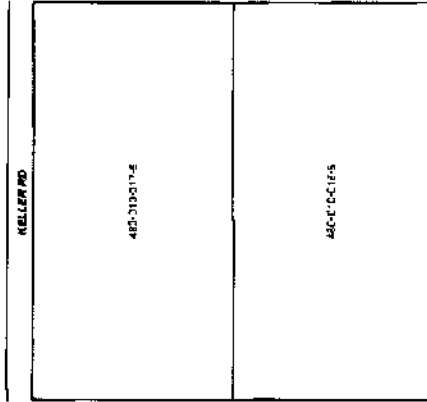
LEGEND

____ "MAC" BOUNDARY
____ PARCEL LINE
TR XXXXX TRACT MAP
XXXXXXX-XXX-XX APA

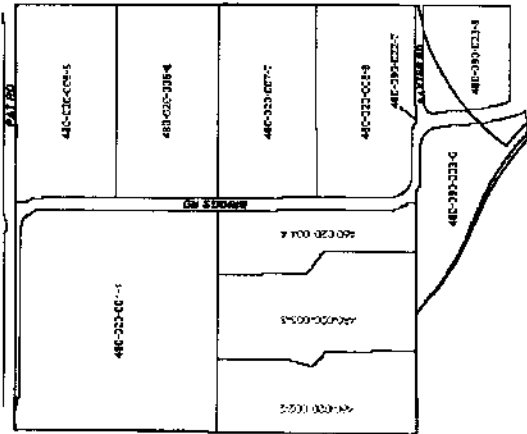
IR 32290-1, 2, 3, 4



TR 32290



TR 30433



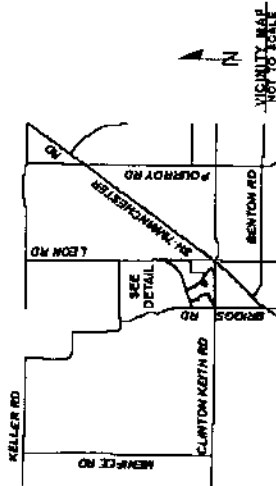
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WEBB
A.L.L.R. ASSOCIATES
A.S.P. & S. J. L. ASSOCIATES
PLANNING & CONSULTING

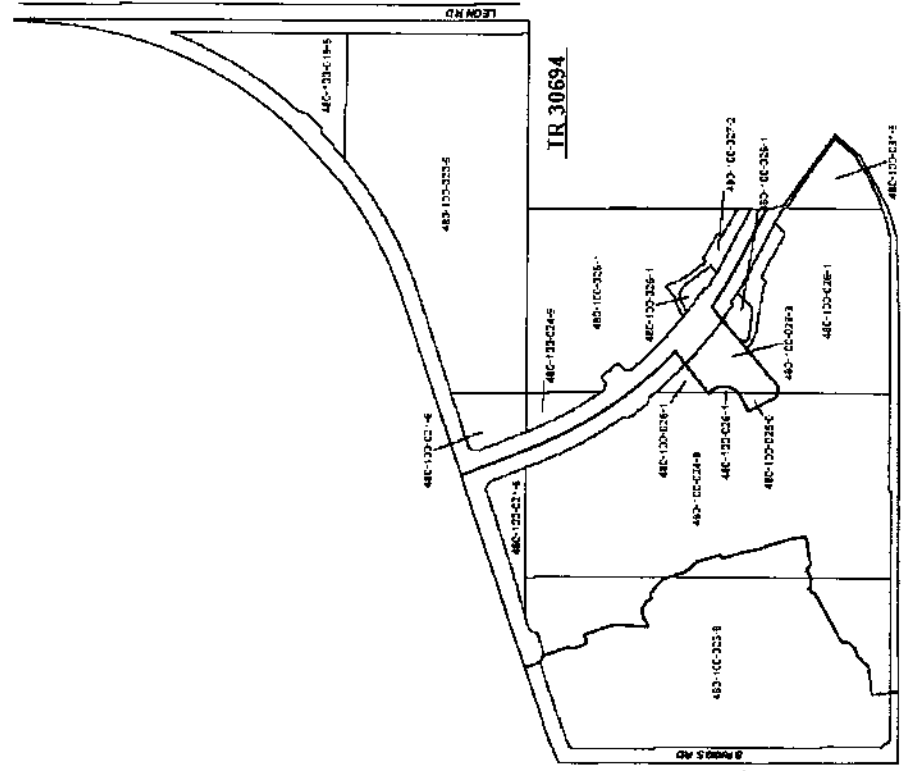
THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE DISTRICT AND THE PARCELS WITHIN THE DISTRICT. THE LINES AND INTERSECTIONS OF LOTS OR PARCELS SHOWN TO THE COUNTY ASSESSORS MAPS FOR FISCAL YEAR 2005-2007.

N
NOT TO SCALE

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



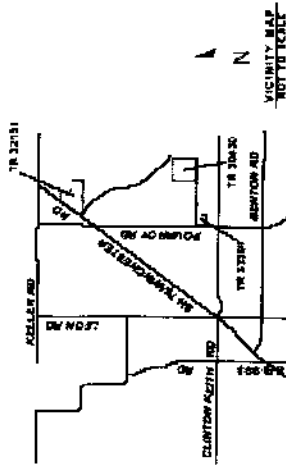
- LEGEND**
- TRAC™ BOUNDARY
 - PARCEL LINE
 - TR XXXXX TRACT MAP
 - XXXX-XXXX-XXXX-XX APN



WEBB
ALBERT WEBB
COUNTY ASSessor's MAPS FOR FISCAL YEAR 2005-2006

NOT TO SCALE

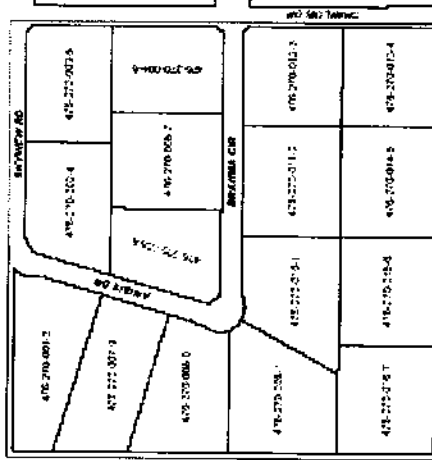
**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
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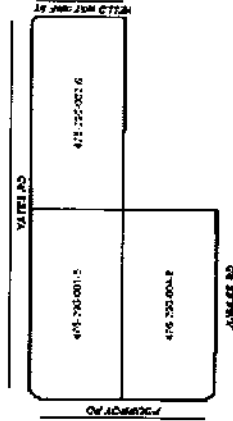
LEGEND

_____ PUBLIC BOUNDARY
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 N.A.P. N.O. A.P.M.

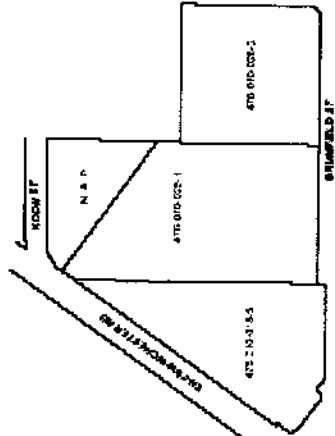
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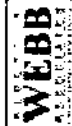
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TR 32151



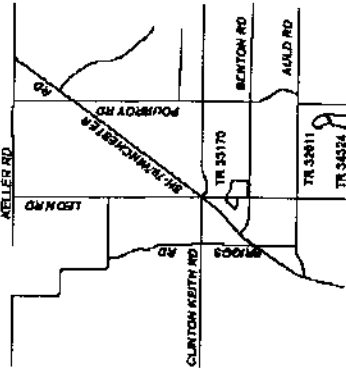
THIS AGENCY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT NO. 07-2 (CLINTON KEITH) OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA. THE LOTS AND DIMENSIONS OF LOTS OF PARCELS REFERRED TO IN THIS MAP WERE OBTAINED FROM THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2008-2007.



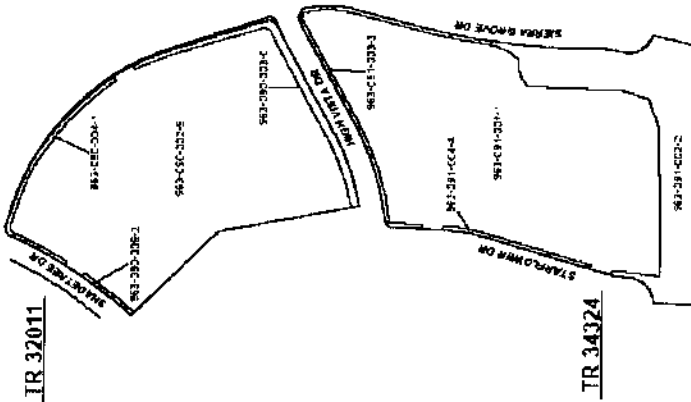
NOT TO SCALE

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

LEGEND
 --- TRACT BOUNDARY
 --- PARCEL LINE
 TR XXXXX TRACT MAP
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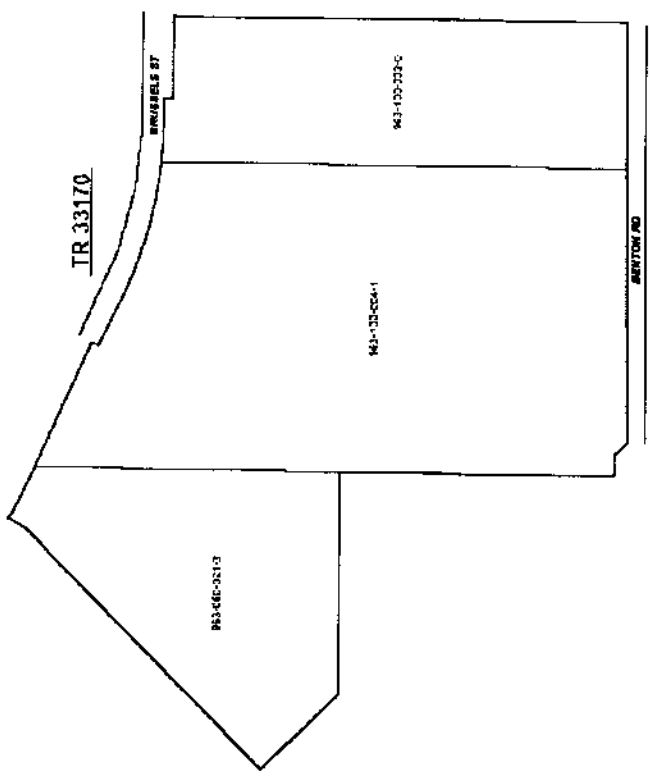


VICINITY MAP
NOT TO SCALE



IR 32011

IR 34324



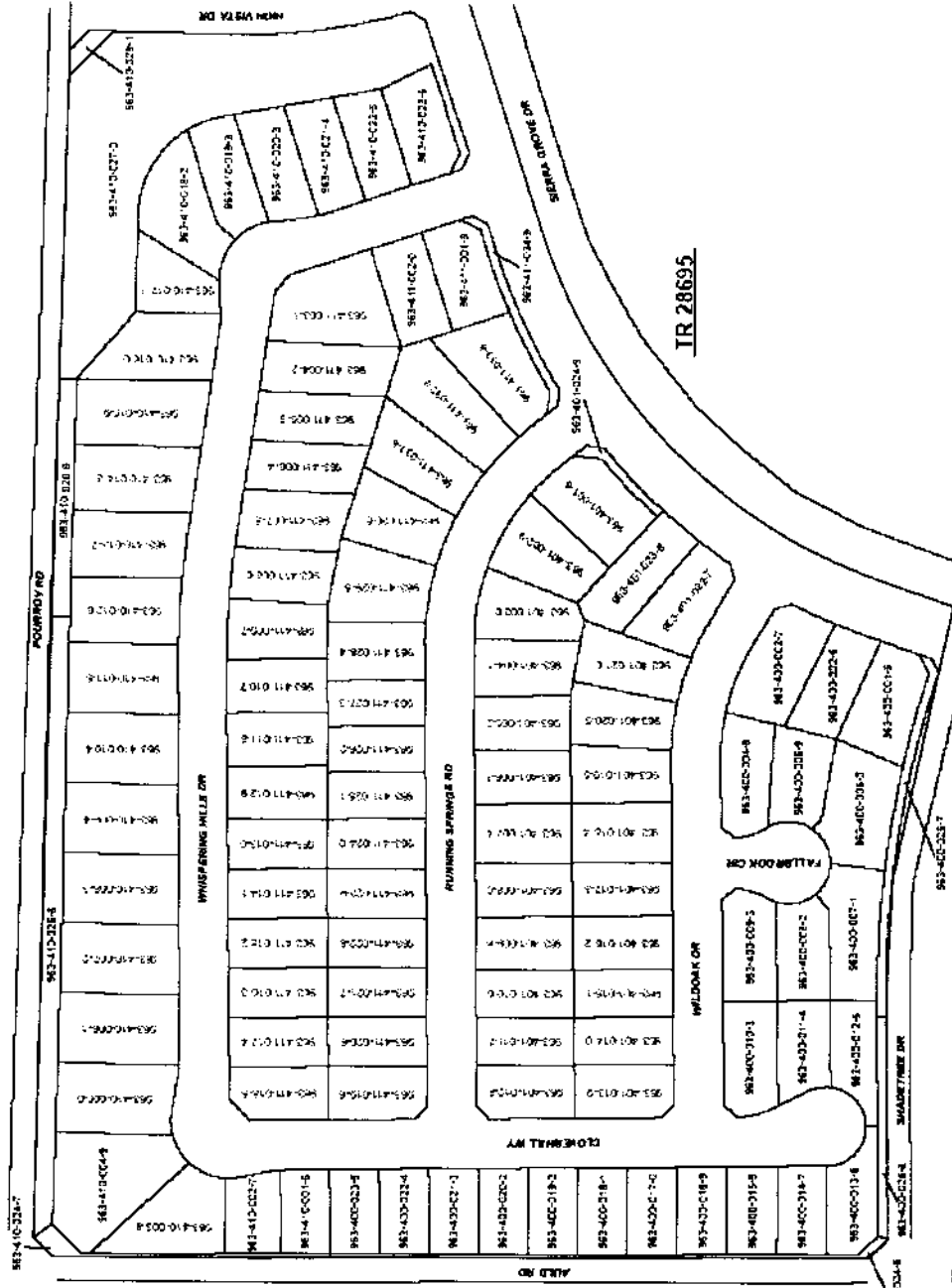
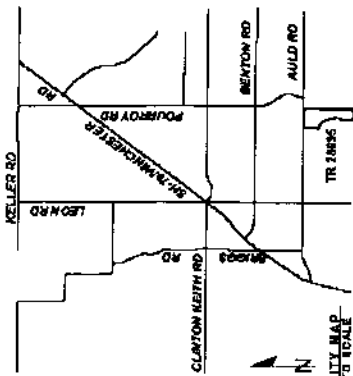
IR 33170

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2000-2002.



NOT TO SCALE

**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
OF THE COUNTY OF RIVERSIDE
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



LEGEND

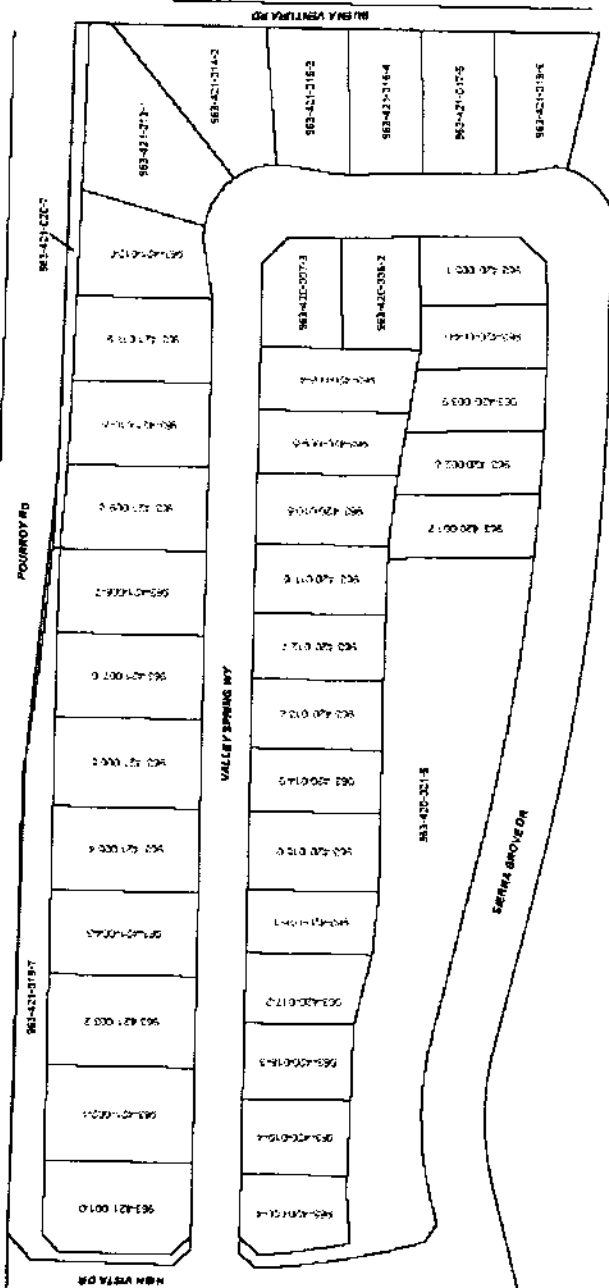
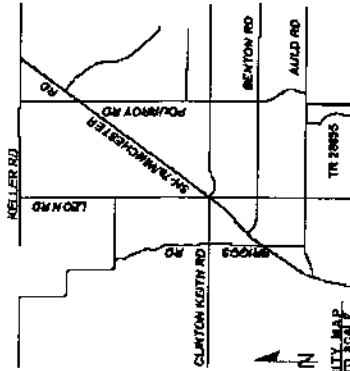
TRACT BOUNDARY
 PARCEL LINE
 TR XXXX TRACT MAP
 XXX-XXX-XXXX APN

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS CONCERNING THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA. THE COUNTY ASSESSORS MAPS FOR FISCAL YEAR 2006-2007.



**PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 07-2
(CLINTON KEITH)
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

TR 28695



- LEGENO**
- TRACT BOUNDARY
 - PARCEL LINE
 - TR XXXXX
 - XXXX-XXXX-XXXX-N ADN

ALBERT A. WEBB
REGISTERED PROFESSIONAL LAND SURVEYOR
COUNTY OF RIVERSIDE, CALIFORNIA
THIS COMMUNITY 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 AEGAL YEAR 2006-0607.

NOT TO SCALE