

RECORDING REQUESTED BY, AND WHEN RECORDED, RETURN TO:

City Manager
City of Beaumont
550 East Sixth Street
Beaumont, California 92223



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NOTICE OF SPECIAL TAX LIEN

(Improvement Area No. 4A
of Community Facilities District No. 93-1
of the City of Beaumont)



Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code of the State of California and Section 53328.3 of the Government Code of the State of California, the undersigned City Manager of the City of Beaumont, State of California, acting as the legislative body (the "Legislative Body") of Community Facilities District No. 93-1 (the "District") with respect to Improvement Area No. 4A of said District hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Legislative Body. The special tax secured by this lien is authorized to be levied for the purpose of financing the acquisition and construction of public infrastructure facilities, or fees representing infrastructure facilities, and for paying principal of and interest on bonds, the proceeds of which are being used to finance all or a portion of the acquisition and construction of public infrastructure facilities, including sewage facilities, water facilities, school facilities, transportation facilities, flood control and drainage facilities, public utility facilities, parks and open space, civic facilities, other landscaping and erosion control facilities and financing costs and incidentals, together with necessary appurtenances thereto and site and right-of-way acquisition, and all other expenses incidental thereto and for administrative costs related to the bonds and the District.

TAXES LEVIED BY THIS DISTRICT MAY BE USED TO PAY FOR CLEANUP OF HAZARDOUS SUBSTANCES.

The special tax is authorized to be levied on property within Improvement Area No. 4A of the District which has now been officially formed, and the lien of the special tax is a continuing lien which shall secure the annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment and manner of collection of the authorized special tax (the "Rate and Method of Apportionment") for Improvement Area No. 4A is attached hereto as Exhibit A.

Conditions, if any, under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of special tax canceled shall be determined in accordance with the respective Rate and Method of Apportionment.

Notice is further given that upon the recording of this notice in the office of the County Recorder for the County of Riverside, the obligation to pay the special tax shall become a lien upon all non-exempt real property within Improvement Area No. 4A of City of Beaumont Community Facilities District No. 93-1 in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners of the real property included within Improvement Area No. 4A and the assessor's tax parcel numbers or other description of the real property included within Improvement Area No. 4A and not exempt from the special tax are as follows as they appear on the latest secured assessment roll as of the date of recording of this notice or as otherwise known to the City Manager of the City of Beaumont:

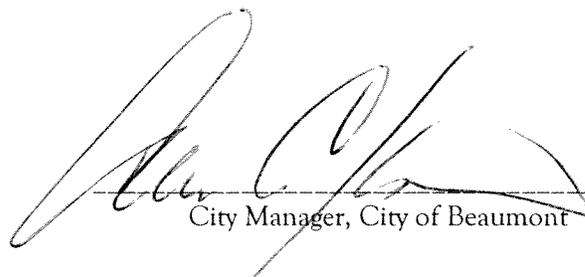
PROPERTY OWNER	ASSESSOR'S PARCEL NUMBER
Heart Beaumont LLC	421 060 006
Heart Beaumont LLC	421 060 007

Reference is made to the amended boundary map of City of Beaumont Community Facilities District No. 93-1 recorded as Document No. 2002-675212 on November 18, 2002 at Book 52, Page 49 of the Book of Maps of Assessment and Community Facilities Districts, in the office of the County Recorder for the County of Riverside, State of California, which map is now the final boundary map of the District and the Improvement Areas therein.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact:

City Manager
City of Beaumont
550 East Sixth Street
Beaumont, California 92223
(909) 769-8520

DATED: November 20, 2002



City Manager, City of Beaumont



EXHIBIT A
REVISED RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 4a OF
COMMUNITY FACILITIES DISTRICT NO. 93-1
OF THE CITY OF BEAUMONT

A Special Tax as hereinafter defined shall be levied on and collected in Improvement Area No. 4a of Community Facilities District No. 93-1 of the City of Beaumont ("CFD No. 93-1") each Fiscal Year, in an amount determined by the City Council of the City of Beaumont through the application of the appropriate Special Tax for "Developed Property," "Undeveloped Property," "Taxable Property Owner Association Property," "Taxable Religious Property," and "Taxable Public Property," as described below. All of the real property in Improvement Area No. 4 of CFD No. 93-1, unless exempted by law or by the provisions hereof, 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 land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

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

"Administrative Expenses" means any ordinary and necessary expenses of the City to carry out the administration of Improvement Area No. 4a of CFD No.93-1.

"Apartment" means a single dwelling unit within Developed Property of building or buildings comprised of attached residential units, all of which are made available for rental by the general public, exclusive of condominiums.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by Improvement Area No. 4a under the Act.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.



“**CFD No. 93-1**” means City of Beaumont Community Facilities District No. 93-1.

“**City**” means the City of Beaumont.

“**Condominium**” means a unit meeting the statutory definition of a condominium contained in California Civil Code, Section 1351.

“**Council**” means the City Council of the City of Beaumont, acting as the legislative body of Improvement Area No. 4 of CFD No. 93-1.

“**County**” means the County of Riverside.

“**Developed Property**” means, for each Fiscal Year, all Taxable Property, exclusive of Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property for which a building permit for new construction was issued prior to March 1 of the prior Fiscal Year.

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

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

“**Improvement Area No. 4a**” means Improvement Area No. 4a as depicted on the boundary map of CFD No. 93-1.

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

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

“**Maximum Special Tax**” means the maximum Special Tax, determined in accordance with Section C below, which can be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“**Non-Residential Property**” means all Assessor’s Parcels of Developed Property for which a building permit(s) was issued for a non-residential use.

“**One Time Special Tax**” means the Special Tax that is required to be paid as a condition precedent to the recordation of final maps, as determined in accordance with Section C.2.b below.

“**Outstanding Bonds**” means all Bonds, which are deemed to be outstanding under the Indenture.

“**Property Owner Association Property**” means any property that is owned by or dedicated to a property owner association, including any master or sub-association.

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“Public Property” means any property that is used for rights-of-way or any other purpose and is owned by or dedicated to the federal government, the State, the County or any other public agency.

“Religious Property” means any property that is used primarily as a place of worship and is exempt from ad valorem property taxes because it is owned by a religious organization. Religious Property, without limitation, does not include any Assessor’s Parcels used for religious schools, day care centers, or congregate care facilities.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

“Residential Floor Area” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor’s Parcel.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Taxable Property Owner Association Property, Taxable Public Property, and Taxable Religious Property to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount required, after taking into consideration available funds pursuant to the Indenture, in any Fiscal Year for Improvement Area No. 4a to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay reasonable Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay for anticipated delinquent Special Taxes based on the delinquency rate in Improvement Area No. 4a for the previous Fiscal Year, and (vi) pay directly for construction of Improvement Area No. 4a facilities eligible under the Act to the extent that the inclusion of such amount does not increase the Special Tax levy on Undeveloped Property.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of Improvement Area No. 4a, which are not exempt from the Special Tax pursuant to law or Section E below.

“Taxable Property Owner Association Property” means all Assessor’s Parcels of Property Owner Association Property that are not exempt pursuant to Section E below.

“Taxable Public Property” means all Assessor’s Parcels of Public Property that are not exempt pursuant to Section E below.

“Taxable Religious Property” means all Assessor’s Parcels of Religious Property that are not exempt pursuant to Section E below.

“Trustee” means the trustee or fiscal agent under the Indenture.

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“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Property Owner Association Property, Taxable Public Property, or Taxable Religious Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within Improvement Area No. 4a shall be classified as Developed Property, Taxable Public Property, Taxable Property Owner Association Property, Taxable Religious Property, or Undeveloped Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property shall be the Special Tax for the applicable Land Use Class as shown in Table 1 below. The Maximum Special Tax for Residential Property consisting of single-family detached homes shall be the same for each Lot. The Maximum Special Tax for Residential Property consisting of Condominiums or Apartments shall be the same for each dwelling unit. The Maximum Special Tax for Non-Residential Property shall be based on the amount of Acreage of the Assessor’s Parcel.

TABLE 1
Maximum Special Taxes for Developed Property in
Improvement Area No. 4a of
Community Facilities District No. 93-1 (Fiscal Year 2002-2003)

Land Use Class	Description	Assigned Special Tax
1	Residential Property Single Family Detached Home on less than a 6,000 square foot Lot.	\$ 1,020 per Lot
2	Residential Property Single Family Detached Home on 6,000 square foot or more Lot.	\$ 1,120 per Lot

b. Increases in the Maximum Special Tax

On each July 1, commencing July 1, 2003, the Maximum Special Tax for each Land Use Class of Developed Property shall be increased by two percent (2.00%) of the amount in effect for the previous Fiscal Year.

2. Undeveloped Property

a. Maximum Special Tax

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The Maximum Special Tax for Undeveloped Property shall be \$7,500 per Acre for Fiscal Year 2002-2003, such amount to increase two percent (2.00%) annually commencing July 1, 2003, plus any applicable One Time Special Tax determined pursuant to section C.2.b below.

b. One Time Special Tax

If at any time prior to approval of a Final Subdivision the CFD Administrator determines that there has been a reduction in the expected Residential Property dwelling units, as determined by reference to the Substantial Conformance Map, then a One Time Special Tax corresponding to such reduction shall be calculated and levied against the Assessor's Parcels on which the reduction occurred. The One Time Special Tax will be calculated using the prepayment formula approved by the City, with the following modifications:

- i. The number by which the expected Residential Property dwelling units has been reduced multiplied by the applicable Special Tax set forth in Table 1 above, escalated pursuant to Section C.1.b shall be substituted for the Maximum Annual Special Tax in Step 1 of the prepayment formula.

3. **Taxable Property, Owner Association Property, Taxable Public Property, and Taxable Religious Property**

a. Maximum Special Tax

The Maximum Special Tax for Taxable Property Owner Association Property, Taxable Public Property, and Taxable Religious Property shall be \$7,500 per Acre for Fiscal Year 2002-2003, such amount to increase two percent (2.00%) annually commencing July 1, 2003.

D. **METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2002-2003 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement to be collected from Taxable Property in Improvement Area No. 4a of CFD No. 93-1 in the Fiscal Year. The Council shall levy the Special Tax as follows until the amount of levy equals the Special Tax Requirement, subject to limitations specified in Section 53321 of the Act.

First: The Special Tax shall be levied in equal percentages on each Assessor's Parcel of Residential Property up to 100% of the applicable Maximum Special Tax for each such Assessor's Parcel;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied in equal percentages on each Assessor's

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Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property shall be increased in equal percentages from the amounts calculated pursuant to Step 1 above, up to 100% of the applicable Maximum Special Tax for each such Assessor's Parcel;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax shall be levied in equal percentages on each Assessor's Parcel of Taxable Property Owner Association Property, up to the Maximum Special Tax for Taxable Property Owner Association Property;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied in equal percentages on each Assessor's Parcel of Taxable Religious Property, up to the Maximum Special Tax for Taxable Religious Property; and

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied in equal percentages on each Assessor's Parcel of Taxable Public Property up to the Maximum Special Tax for Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent per fiscal year as a consequence of delinquency or default by the owner of any other Assessor's Parcel within Improvement Area No. 4a.

E. EXEMPTIONS

The Council shall not levy a Special Tax on the following:

- 1) Properties owned by entities of the State of California, federal or other public agencies, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act;
- 2) Properties designated for the following uses: Public Property, Property Owner Association Property, and Religious Property

Under no condition will the total acres of Taxable Property be less than 64.74 acres due to the exemption of Public Property, Property Owner Association Property, and Religious Property. All Public Property, Property Owner Association Property, and Religious Property will be allocated on a first in time basis. If the remaining total number of acres of land conveyed or dedicated is less than the amount stated above, then such acres shall be taxed at the applicable rates set forth in Section C above and to the extent set forth in Section D above.

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F. REVIEW/APPEAL COMMITTEE

Any landowner or resident who feels that the amount of the Special Tax levied on their Assessor's Parcel is in error may file a notice with CFD No. 93-1 appealing the amount of the Special Tax levied on such Assessor's Parcel. A representative of CFD No. 93-1 will then review the appeal and, if necessary, meet with the applicant. If the findings of the representative of CFD No. 93-1 verify that the amount of the Special Tax should be modified or changed, then, as appropriate, the Special Tax levy shall be corrected.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 93-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The Special Tax applicable to an Assessor's Parcel may be prepaid in full according to a prepayment formula determined by the City at the time of prepayment. The prepayment amount shall also include the administrative expense of Improvement Area No. 4a, the fiscal agent and any consultant retained in connection with the calculation of the prepayment amount.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for a term of 50 years, commencing with Fiscal Year 1993-94.



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RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:

City Clerk
City of Beaumont
550 East Sixth Street
Beaumont, California 92223

303284

RECEIVED FOR RECORD
AT 8:00 O'CLOCK

AUG 4 1993

Recorded in Official Records
of Riverside County, California

W. J. [Signature] Recorder
Fees \$

NOTICE OF SPECIAL TAX LIEN

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code of the State of California and Section 53328.3 of the Government Code of the State of California, the undersigned City Clerk of the City of Beaumont, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the City Council of the City of Beaumont, State of California acting as the legislative body of Community Facilities District No. 93-1 with respect to Improvement Area No. 4 of said District. The special tax secured by this lien is authorized to be levied for the purpose of paying principal and interest on bonds, the proceeds of which are being used to finance all or a portion of the acquisition and construction of public infrastructure facilities, including sewage facilities, water facilities, school facilities, transportation facilities, flood control and draining facilities, water facilities, school facilities, transportation facilities, other landscaping and erosion control facilities and financing costs and incidentals, together with necessary appurtenances thereto and site and right-of-way acquisition, and all other expenses incidental thereto.

TAXES LEVIED BY THIS DISTRICT MAY BE USED FOR CLEANUP OF HAZARDOUS SUBSTANCES.

The special tax is authorized to be levied on property within Improvement Area No. 4 of City of Beaumont Community Facilities District No. 93-1 (the "District") which has now been officially formed, and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

The rate, method of apportionment and manner of collection of the authorized special tax is attached hereto as Exhibit A.

Conditions, if any, under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled shall be determined in accordance with a prepayment formula determined by the City Council prior to the issuance of bonds but in any event no later than the time of prepayment.

Notice is further given that upon the recording of this notice in the office of the County Recorder for the County of Riverside, the obligation to pay the special tax shall become a lien upon all non-exempt real property within Improvement Area No. 4 of City of Beaumont Community Facilities District No. 93-1 in accordance with Section 3115.5 of the Streets and Highways Code.

The names of the owners of the real property included within the Improvement Area and the assessor's tax parcel numbers of the real property included within the Improvement Area and not exempt from the special tax are as follows as they appear on the latest secured assessment roll as of the date of recording of this notice or as otherwise known to the City Clerk of the City of Beaumont and the assessor's tax parcel numbers or other legal description of all parcels or any portion thereof which are now included within the District are as follows:

ASSESSOR'S
PARCEL NUMBERS

421-060-005
421-060-006

TITLEHOLDER

Hi-Sixty Associates Limited
Partnership, a California
Limited Partnership

Reference is made to the amended boundary map of City of Beaumont Community Facilities District No. 93-1 recorded on May 6, 1993 at Book 36, page 87 of the Book of Maps of Assessment and Community Facilities Districts, in the office of the County Recorder for the County of Riverside, State of California, which map is now the final boundary map of the District and the Improvement Areas therein.

For further information concerning the current and estimates future tax liability of owners or purchasers of real property subject to the special tax lien, interested persons should contact:

City Clerk
City of Beaumont
550 East Sixth Street
Beaumont, CA 92223
(909) 845-4321

DATED: Aug 4, 1993

Julia White (Deputy)
City Clerk, City of Beaumont

RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 4 OF
COMMUNITY FACILITIES DISTRICT NO. 93-1
OF THE CITY OF BEAUMONT
(ROLLING HILLS)

A Special Tax (the "Special Tax") shall be levied on and collected in Improvement Area No. 4 of Community Facilities District No. 93-1 of the City of Beaumont ("CFD No. 93-1") each Fiscal Year, in an amount determined by the City Council of the City of Beaumont through the application of the appropriate Special Tax for "Developed Property," "Undeveloped Property," "Taxable Property Owner Association Property," "Taxable Religious Property" and "Taxable Public Property" as described below. All of the property in Improvement Area No. 4 of CFD No. 93-1, unless exempted by law or by the provisions hereof, 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:

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

"Administrative Expenses" shall mean any ordinary and necessary expenses of the City to carry out the administration of Improvement Area No. 4 of CFD No. 93-1.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Apartment" means a single dwelling unit within Developed Property of building or buildings comprised of attached residential units, all of which are made available for rental by the general public, exclusive of condominiums.

"Assessor's Parcel Map" means an official map of the County Assessor of the County of Riverside designating parcels by Assessor's Parcel number.

"Assigned Special Tax" means the Special Tax for each Land Use Class, as determined by reference to Table 1 of Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property as determined in accordance with Section C.1.c below.

"City" means the City of Beaumont.

"Commercial Property" means all Developed Property for which the building permit was issued for non-residential use.

"Council" means the City Council of the City of Beaumont, acting as the legislative body of Improvement Area No. 4 of CFD No. 93-1.

"County" means the County of Riverside.

"Developed Property" means all Taxable Property for which a building permit has been issued as of the March 1 of the Fiscal Year preceding the Fiscal Year for which the Special Tax is being levied, exclusive of Taxable Public Property, Taxable Religious Property and Taxable Property Owner Association Property.

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

"Improvement Area No. 4" means the area designated as Improvement Area No. 4 on the attached boundary map of CFD No. 93-1.

"Land Use Class" means any of the classes listed in Table 1 below.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C, that can be levied by the Council in any Fiscal Year for Undeveloped Property, each Land Use Class of Developed Property, Taxable Property Owner Association Property, Taxable Religious Property and Taxable Public Property, as applicable.

"Property Owner Association Property" means any property within the boundaries of Improvement Area No. 4 of CFD No. 93-1 owned by or dedicated to a property owner association.

"Public Property" means any property within the boundaries of Improvement Area No. 4 of CFD No. 93-1 owned by or dedicated to the federal government, State of California or other public agency.

"Religious Property" means all property within the boundaries of Improvement Area No. 4 of CFD No. 93-1 which is exempt from ad valorem property taxes because it is owned by a religious organization.

"Single Family Unit" means all Developed Property, other than Apartments, for which the building permit was issued for purposes of constructing a residential dwelling unit(s), including detached, attached, and condominium units and structures.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property, Undeveloped Property, Taxable Property Owner Association Property, Taxable Religious Property and Taxable Public Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year for Improvement Area No. 4 of CFD No. 93-1 to: (1) pay debt service on all outstanding bonds or other indebtedness of Improvement Area No. 4, or other periodic costs on the bonds or other indebtedness. (2) pay the Administrative Expenses. (3) accumulate funds to pay directly for authorized facilities. (4) pay costs associated with the release of funds from an escrow account if any. (5) pay any amounts required to establish or replenish any reserve funds. and (6) pay for anticipated delinquent special taxes (such delinquent special taxes shall be estimated based on the delinquency rate in the CFD for the previous Fiscal Year.)

"Taxable Property" means all of the Assessor's Parcels within the boundaries of Improvement Area No. 4 of CFD No. 93-1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Public Property" means all Public Property which was acquired by a public agency through a negotiated transaction, gift or devise, including any dedication contingent upon approval of development plans which has not been exempted pursuant to Section F.

"Taxable Property Owner Association Property" means all Property Owner Association Property which has not been exempted pursuant to Section E.

"Taxable Religious Property" means all Religious Property which has not been exempted pursuant to Section E.

"Undeveloped Property" means all Taxable Property, exclusive of Taxable Property Owner Association Property, Taxable Religious Property and Taxable Public Property, not classified as Developed Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

For each Fiscal Year, all Taxable Property within Improvement Area No. 4 of CFD No. 93-1 shall be classified as Developed Property, Undeveloped Property, Taxable Property Owner Association Property, Taxable Religious Property or Taxable Public Property, and shall be subject to tax in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

For purposes of determining the applicable Assigned Special Tax for each Assessor's Parcel of Developed Property, all Developed Property shall be assigned to one of the Land Use Classes designated in Table 1 below. Single Family Units shall be assigned to Land Use Classes 1 through 10 based on the square footage for the improvements to be constructed on an Assessor's Parcel as set forth on the most recent building permit or condominium plan issued for such parcel. The square footage of a structure assigned to Land Use Classes 1 through 10 shall be exclusive of garages or other structures which are not used as living spaces. Apartment units shall be assigned to Land Use Class 11. Commercial Property shall be assigned to Land Use Class 12.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Backup Special Tax or (ii) the amount derived by application of the Assigned Special Tax.

b. Assigned Special Taxes

The Fiscal Year 1993-94 Assigned Special Tax for each Land Use Class is shown below in Table 1.

TABLE 1

Assigned Special Taxes for Developed Property in
Improvement Area No. 4 of
Community Facilities District No. 93-1 (Fiscal Year 1993-94)

Land Use Class	Description	Designation	Assigned Special Tax
1	Single Family	≥ 3,000 sq. ft.	\$2,018 per unit
2	Single Family	2,750 - 2,999 sq. ft.	\$1,850 per unit
3	Single Family	2,500 - 2,749 sq. ft.	\$1,682 per unit
4	Single Family	2,250 - 2,499 sq. ft.	\$1,547 per unit
5	Single Family	2,000 - 2,249 sq. ft.	\$1,412 per unit
6	Single Family	1,750 - 1,999 sq. ft.	\$1,211 per unit
7	Single Family	1,500 - 1,749 sq. ft.	\$1,061 per unit
8	Single Family	1,250 - 1,499 sq. ft.	\$891 per unit
9	Single Family	1,000 - 1,249 sq. ft.	\$721 per unit
10	Single Family	< 1,000 sq. ft	\$697 per unit
11	Apartment	NA	\$593 per unit
12	Commercial	NA	\$4,757 per acre

c. Backup Special Tax

The Fiscal Year 1993-94 Backup Special Tax is \$0.214 per square foot of each Assessor's Parcel of Developed Property. The Backup Special Tax may exceed the Assigned Special Tax for some Assessor's Parcels within each a Land Use Class. In such cases, the Backup Special Tax shall be the Maximum Special Tax.

The acreage or square footage of land area applicable to a condominium unit shall be computed from the acreage of the lot on which the condominium unit is located. The acreage for such lot shall be allocated equally among the condominiums located on the lot.

d. Increases in the Maximum Special Tax

On each July 1, commencing July 1, 1994, the Assigned Special Tax and the Backup Special Tax to be applicable to an Assessor's Parcel shall be increased by two percent (2.00%) of the amount in effect for the previous Fiscal Year.

2. Undeveloped Property, Taxable Property Owner Association Property, Taxable Religious Property and Taxable Public Property

a. Maximum Special Tax

The Maximum Special Tax for Undeveloped Property shall be \$9,435 per acre for Fiscal Year 1993-94.

The acreage or square footage of land are applicable to a condominium unit shall be completed from the acreage of the lot on which the condominium unit is located. The acreage for such lot shall be allocated equally to the condominiums located in the lot.

The Maximum Special Tax for Taxable Property Owner Association Property shall be \$9,435 per acre for Fiscal Year 1993-94.

The Maximum Special Tax for Taxable Religious Property shall be \$9,435 per acre for Fiscal Year 1993-94.

The Maximum Special Tax for Taxable Public Property shall be \$9,435 per acre for Fiscal Year 1993-94.

b. Increases in the Maximum Special Tax

On each July 1, commencing July 1, 1994, the Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, Taxable Religious Property and Taxable Public Property shall be increased by two percent (2.00%) of the amount in effect in the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 1993-94 and for each following Fiscal Year, the Council shall determine the Special Tax Requirement to be collected from Taxable Property in Improvement Area No. 4 of CFD No. 93-1 in the Fiscal Year. The Council shall levy

the Special Tax as follows until the amount of the levy equals the Special Tax Requirement, subject to the limitations specified in Section 53321 of the Act.

First: The Special Tax shall be levied in equal percentages on each Assessor's Parcel of Developed Property up to 91% of the applicable Assigned Special Tax for such Assessor's Parcel;

Second: If additional monies are needed after the first step has been completed, the Special Tax shall be levied in equal percentages on each Assessor's Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property shall be increased in equal percentages from the amounts calculated pursuant to Step 1 above, up to 100% of the applicable Assigned Special Tax for such Assessor's Parcel;

Fourth: If additional monies are needed after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional monies are needed after the first four steps have been completed, then the Special Tax shall be levied in equal percentages on each Assessor's Parcel of Taxable Property Owner Association Property up to the Maximum Special Tax for Taxable Property Owner Association Property;

Sixth: If additional monies are needed after the first five steps have been completed, then the Special Tax shall be levied in equal percentages on each Assessor's Parcel of Taxable Religious Property up to the Maximum Special Tax for Taxable Religious Property; and

Seventh: If additional monies are needed after the first six steps have been completed, then the Special Tax shall be levied in equal percentages on each Assessor's Parcel of Taxable Public Property up to the Maximum Special Tax for Taxable Public Property.

E. EXEMPTIONS

The Council shall not levy a Special Tax on the following:

- 1) Properties owned by entities of the State of California, federal or other public agencies except as otherwise provided in Sections 53317.3 and 53317.5 of the Act; and
- 2) Property designated for the following uses:

Up to a total of 66.99 acres of Public Property, Property Owner Association Property, and Religious Property.

All such property will be allocated on a first in time basis. If the total number of acres of land conveyed or dedicated exceeds the amount stated above, then the acres exceeding such total shall be taxed at the applicable rate set forth in Section C.2 above and to the extent set forth in Section D above.

F. APPEALS

Any landowner or resident who feels that the amount of the Special Tax is in error may file a notice with CFD No. 93-1 appealing the levy of the Special Tax. A representative of CFD No. 93-1 will then review the appeal and, if necessary, meet with the applicant. If the findings of the representative of CFD No. 93-1 verify that the amount of the Special Tax should be modified or changed, then, as appropriate, the Special Tax levy shall be corrected.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, Improvement Area No. 4 of CFD No. 93-1 may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations and may covenant to foreclose on delinquent parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The Special Tax applicable to an Assessor's Parcel of Taxable Property may be prepaid in full according to a prepayment formula determined by the Council at the time of prepayment. The prepayment amount shall also include the administrative expenses of Improvement Area No. 4 of CFD No. 93-1, the fiscal agent, and any consultant retained

by Improvement Area No. 4 of CFD No. 93-1 in connection with the calculation of the prepayment amount.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for a term of 50 years, commencing with Fiscal Year 1993-94.