

RECORDING REQUESTED BY, AND  
WHEN RECORDED, RETURN TO:

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

Conformed Copy

Has not been compared with original

Larry W Ward  
County of Riverside  
Assessor, County Clerk & Recorder

**NOTICE OF SPECIAL TAX LIEN**  
(Improvement Area No. 21  
of Community Facilities District No. 93-1  
of the City of Beaumont)

Pursuant to the requirements of Sections 3114.5 and 3117.5 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. 21 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 and for paying principal of and interest on bonds and other debt, the proceeds of which are being used to finance all or a portion of the acquisition and construction of public infrastructure facilities, including transportation facilities, domestic water facilities, recycled water facilities, sewer transmission and treatment facilities, traffic signals and street lighting facilities, public safety, public works and administrative facilities, watershed management and storm drain facilities, regional park and open space and trail facilities and financing costs and incidentals, and services related to such facilities, together with necessary appurtenances thereto and site and right-of-way acquisition, and all other expenses incidental thereto and for administrative costs related to any bonds issued and the District.

The special tax is authorized to be levied on property within Improvement Area No. 21 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 California Government Code.

The rate, method of apportionment and manner of collection of the authorized special tax for Improvement Area No. 21 (the "Rate and Method of Apportionment") is shown on Exhibit A, attached hereto and incorporated herein by this reference. The special tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* taxes. 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 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. 21 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. 21 and the legal description of the real property included within Improvement Area No. 21 and not exempt from the special tax

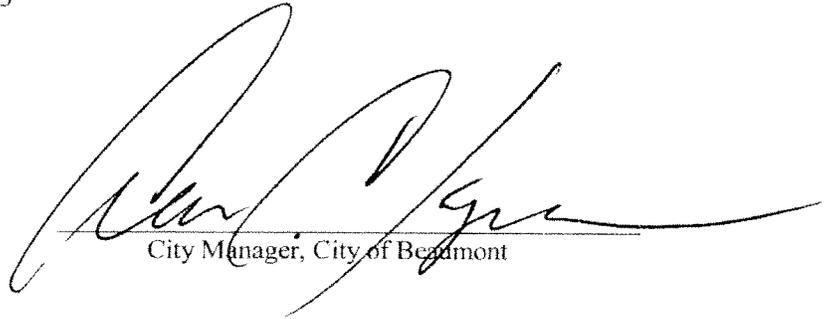
as they appear on the latest secured assessment roll as of the date of recording of this notice or as otherwise known to the City Manager of the City of Beaumont are listed on Exhibit B, attached hereto and made a part hereof by this reference.

Reference is made to the amended boundary map entitled "Amended Map No. 18 of Community Facilities District No. 93-1, City of Beaumont, County of Riverside, State of California" recorded in the office of the County Recorder of the County of Riverside, State of California, on July 7, 2006 as Instrument No. 2006-0498253, Book No. 67 of Maps of Assessment and Community Facilities at Page 25, in compliance with Section 3110, *et seq.*, of the Streets and Highways Code of the State of California and the Act, 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  
(951) 769-8520

DATED: December 5, 2006



City Manager, City of Beaumont

**EXHIBIT A**  
**RATE AND METHOD OF APPORTIONMENT FOR**  
**IMPROVEMENT AREA NO. 21 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. 21 ("IA No. 21") 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," "Final Map Property," "Undeveloped Property," "Taxable Owner Association Property," "Taxable Religious Property," and "Taxable Public Property," as described below. All of the real property in IA No. 21 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.

**SECTION 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 Communities 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 expense of the City to carry out the administration of IA No. 21 of CFD No. 93-1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of salaries and benefits of any City employee whose duties are directly related to the administration of IA No. 21, and costs otherwise incurred in order to carry out the authorized purposes of IA No. 21.

**"Apartment"** means a single dwelling unit within a 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 of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 93-1.

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

**"Assigned Special Tax"** means the Special Tax of that name described in Section D below.

**"Backup Special Tax for Facilities"** means the Special Tax of that name described in Section E below.

**"Bonds"** means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which Special Taxes for Facilities have been pledged.

“**Builder**” means a developer, merchant builder, or builder that converts a Parcel to Developed Parcel for sale to the initial buyer following the City issued Certificate of Occupancy.

“**Building Permit**” means a permit for new construction for a residential dwelling or non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation, retaining walls, utility improvements, or other such improvements not intended for human habitation.

“**Building Square Footage**” or “**BSF**” means the square footage of assessable internal living space, exclusive of garages or other structures not used as living space, as determined by reference to the building permit application for such Assessor’s Parcel.

“**Calendar Year**” means the period commencing January 1 of any year and ending the following December 31.

“**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 Community Facilities District No. 93-1 established by the City under the Act.

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

“**City Council**” means the City Council of the City, acting as the Legislative Body of CFD No. 93-1, or its designee.

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

“**Consumer Price Index**” means the index published monthly by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Los Angeles-Riverside-Orange County area.

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

“**Developed Property**” means all Assessor’s Parcels for which Building Permits were issued on or before June 30 of the prior Fiscal Year, provided that such Assessor’s Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor’s Parcel is associated with a Lot, as determined reasonably by the City.

“**Dwelling Unit**” means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental separate from adjacent residential dwelling units.

“**Exempt Property**” means all Assessor’s Parcels designated as being exempt from Special Tax as determined in Section J.

“**Final Map**” means a subdivision of property evidenced by the 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 the recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which Building Permits may be issued without further subdivision.

“**Final Map Property**” means all Assessor’s Parcels: (i) that are included in a Final Map that was recorded prior to the January 1<sup>st</sup> preceding the Fiscal Year in which the Special Tax is being levied, and (ii) for which a

Building Permit was not issued prior to the March 1 preceding the Fiscal Year in which the Special Tax is being levied.

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

**“Improvement Area No. 21”** means Improvement Area No. 21 as depicted on the boundary map of CFD No. 93-1.

**“Lot”** means an individual legal lot created by a Final Map for which a Building Permit could be issued.

**“Maximum Special Tax”** means the Maximum Special Tax for Facilities and Maximum Special Tax for Services.

**“Maximum Special Tax for Facilities”** means the maximum Special Tax, determined in accordance with Section C, which can be levied by CFD No. 93-1 in any Fiscal Year on any Assessor’s Parcel.

**“Maximum Special Tax for Services”** means the maximum Special Tax, determined in accordance with Section C, which can be levied by CFD No. 93-1 in any Fiscal Year on any Assessor’s Parcel.

**“Minimum Acreage”** means the smallest allowable amount of taxable acreage. For CFD No. 21 shall not be less than 75.55 acres.

**“Non Residential Property”** means all Assessors’ Parcels of Developed Property for which a building permit was issued for any type of non-residential use.

**“Operating Fund”** means a fund that shall be maintained for IA No. 21 of CFD No. 93-1 for any Fiscal Year to pay for the actual costs of maintenance, repair, and replacement of the Service Area, and the Administrative Expenses.

**“Operating Fund Balance”** means the amount of funds in the Operating Fund at the end of the preceding Fiscal Year.

**“Partial Prepayment Amount”** means the amount required to prepay a portion of the Special Tax for Facilities obligation for an Assessor’s Parcel, as described in Section H.

**“Prepayment Amount”** means the amount required to prepay the Annual Special Tax obligation in full for an Assessor’s Parcel, as described in Section G.

**“Proportionately”** means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor’s Parcels.

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

**“Service Area”** means the streets, landscape parkways and medians, neighborhood, community and regional parks, street and landscape lighting and utilities, easements, public rights-of-way, green belts and open space, storm drain, water quality and flood control facilities within the boundaries of IA No. 21 and the City.

**“Special Tax”** means Special Tax for Facilities and Special Tax for Services.

“**Special Tax for Facilities**” means any of the special taxes authorized to be levied by CFD No. 93-1 pursuant to the Act to fund the Special Tax Requirement for Facilities.

“**Special Tax for Services**” means any of the special taxes authorized to be levied by CFD No. 93-1 pursuant to the Act to fund the Special Tax Requirement for Services.

“**Special Tax Requirement for Facilities**” means the amount required in any Fiscal Year for IA No. 21 to pay: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account, and (iv) any amount required to establish or replenish any reserve funds established in an association with the Bonds, (v) the collection or accumulation of funds for the acquisition or construction of facilities authorized by IA No. 21 provided that the inclusion of such amount does not cause an increase in the levy of Special Tax for Facilities on Final Map Property or Undeveloped Property, less (vi) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

“**Special Tax Requirement for Services**” means the amount determined in any Fiscal Year for IA No. 21 equal to (i) the budgeted costs of the maintenance, utilities, repair and replacement of the Service Area which have been accepted and maintained or are reasonably expected to be accepted and maintained during the current Fiscal Year, (ii) Administrative Expenses, and (iii) anticipated delinquent Special Taxes for Services based on the delinquency rate in IA No. 21 for the previous Fiscal Year, less (iv) the Operating Fund Balance.

“**Taxable Property**” means all Assessors’ Parcels within CFD No. 93-1 which are not Exempt Property.

“**Undeveloped Property**” means all Assessors’ Parcels of Taxable Property which are not Developed Property or Final Map Property.

## SECTION B - CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2005-2006, each Assessor’s Parcel within IA No. 21 shall be classified as Taxable Property or Exempt Property. In addition, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Final Map Property or Undeveloped Property. Lastly, each Assessor’s Parcel of Developed Property shall further be classified as Residential Property or Non Residential Property.

## SECTION C- MAXIMUM SPECIAL TAXES

### I. Developed Property

- a. The Maximum Special Tax for Facilities for each Assessor’s Parcel of Residential Property that is classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax for Facilities in Table 1 or (ii) the application of the Backup Special Tax for Facilities. The Maximum Special Tax for Facilities for each Assessor’s Parcel of Non-Residential Property that is classified as Developed Property in any Fiscal Year shall be the Assigned Annual Special Tax for Facilities in Table 1.
- b. The Maximum Special Tax for Services for each Assessor’s Parcel of Residential Property that is classified as Developed Property in any Fiscal Year shall be \$250 per unit. The Maximum Special Tax for Services for each Assessor’s Parcel of Non-Residential Property that is classified as Developed Property in any Fiscal Year shall be \$1,600 per Acre. On each July 1, commencing July 1, 2006, the Maximum Special Tax for Services for the prior Fiscal Year shall be adjusted

by an amount equal to the percentage change in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year.

**2. Final Map Property**

The Maximum Special Tax for Facilities for each Assessor's Parcel classified as Final Map Property shall be the Assigned Special Tax for Facilities in Table 1.

**3. Undeveloped Property**

The Maximum Special Tax for Facilities for each Assessor's Parcel classified as Undeveloped Property shall be the Assigned Special Tax for Facilities in Table 1.

**SECTION D - ASSIGNED SPECIAL TAX FOR FACILITIES**

**1. Assigned Special Tax Rates**

Each Fiscal Year, each Assessor's Parcel shall be subject to an Assigned Special Tax. The Assigned Special Tax applicable to an Assessor's Parcel for any Fiscal Year shall be determined pursuant to Table 1 below.

**TABLE 1  
ASSIGNED SPECIAL TAX RATES FOR FACILITIES**

<b>Land Use Type</b>	<b>Building Square Footage</b>	<b>Assigned Special Tax for Fiscal Year 2005-2006</b>
Residential Property	Less than or equal to 2,850	\$2,935 per dwelling unit
Residential Property	2,851 - 2,950	\$3,015 per dwelling unit
Residential Property	2,951 - 3,100	\$3,070 per dwelling unit
Residential Property	3,101 - 3,500	\$3,345 per dwelling unit
Residential Property	Greater than 3,500	\$3,640 per dwelling unit
Non Residential Property	N/A	\$18,000 per Acre
Final Map Property	N/A	\$3,640 per Lot
Undeveloped Property	N/A	\$18,000 per Acre

On each July 1, commencing on July 1, 2006, the Assigned Special Tax for Facilities for each Assessor's Parcel shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

**SECTION E -BACKUP SPECIAL TAXES FOR FACILITIES**

Each Fiscal Year, each Assessor's Parcel of Developed Property classified as Residential Property shall be subject to a Backup Special Tax for Facilities. In each Fiscal Year, the Backup Special Tax for Facilities rate for Developed Property classified as Residential Property within a Final Map shall be the rate per Lot calculated according to the following formula:

$$B = \frac{R \times A}{L}$$

The terms above have the following meanings:

- B = Backup Special Tax for Facilities per Lot in each Fiscal Year
- R = Maximum Special Tax for Facilities rate per Acre for Undeveloped Property for the applicable Fiscal Year
- A = Acreage of Developed Property classified or to be classified as Residential Property in such Final Map.
- L = Lots in the Final Map which are classified or to be classified as Residential Property.

Each July 1, commencing on July 1, 2006, the Backup Special Tax for each Assessor's Parcel shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

Notwithstanding the foregoing, if all or any portion of the Final Map(s) described in the preceding paragraph is subsequently changed or modified, then the Backup Special Tax for Facilities for each Assessor's Parcel of Developed Property classified or to be classified as Residential Property in such Final Map area that is changed or modified shall be a rate per square foot of Acreage calculated as follows:

1. Determine the total Backup Special Tax for Facilities anticipated to apply to the changed or modified Final Map area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Developed Property classified or to be classified as Residential Property which is ultimately expected to exist in such changed or modified Final Map area, as reasonably determined by the City.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Special Tax for Facilities per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property classified as Residential Property in such changed or modified Final Map area for all remaining Fiscal Years in which the Special Tax for Facilities may be levied.

**SECTION F - METHOD OF APPORTIONMENT OF THE SPECIAL TAX FOR FACILITIES AND THE SPECIAL TAX FOR SERVICES**

1. Commencing Fiscal Year 2006-2007 and for each subsequent Fiscal Year, the City Council shall levy a Special Tax for Facilities on all Taxable Property within IA No. 21 until the amount of Special Tax for Facilities equals the Special Tax Requirement for Facilities in accordance with the following steps:

Step One: The Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax for Facilities rates in Table 1 as needed to satisfy the Special Tax Requirement for Facilities.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Final Map Property, at up to 100% of the

Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

Step Three: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property, excluding any Undeveloped Property pursuant to Section J., at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

Step Four: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then for each Assessor's Parcel of Developed Property whose Assigned Special Tax for Facilities is the Backup Special Tax for Facilities shall be increased Proportionately from the Assigned Special Tax for Facilities up to 100% of the Backup Special Tax for Facilities as needed to satisfy the Special Tax Requirement for Facilities.

Step Five: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property classified as Undeveloped Property pursuant to Section J. at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

2. Commencing Fiscal Year 2005-2006 and for each subsequent Fiscal Year, the City Council shall levy a Special Tax for Services on all Taxable Property within IA No. 21 until the amount of Special Tax for Services equals the Special Tax Requirement for Services in accordance with the following steps:

Step One: The Maximum Special Tax for Services shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax for Services as needed to satisfy the Special Tax Requirement for Services.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement for Services after the first step has been completed, the Maximum Special Tax for Services shall be levied Proportionately on each Assessor's Parcel of Final Map Property, at up to 100% of the Maximum Special Tax for Services applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Services.

## **SECTION G - PREPAYMENT OF SPECIAL TAX FOR FACILITIES**

The following definitions apply to this Section G:

**"CFD Public Facilities"** means \$18,000,000 expressed in 2004 dollars, which shall increase by the Construction Inflation Index on January 1, 2005, and on each January 1 thereafter, or such lower number as (i) shall be determined by the City as sufficient to provide the public facilities under the authorized bonding program for CFD No. 93-1, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment.

**“Construction Fund”** means an account specifically identified in the Indenture or functionally equivalent to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under CFD No. 93-1.

**“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 City 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 existing construction or escrow accounts or funded by the Outstanding Bonds, and 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 Tax for Facilities 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 the Maximum Special Tax for Facilities.

The Special Tax for Facilities obligation of an Assessor's Parcel of Developed Property, an Assessor's Parcel of Final Map Property or Undeveloped Property for which a Building Permit has been issued or an Assessor's Parcel of Undeveloped Property that is classified as Undeveloped Property pursuant to Section J, may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax for Facilities obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay the Special Tax for Facilities obligation shall provide the City with written notice of intent to prepay, and within 5 days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 93-1 in calculating the proper amount of a prepayment. Within 15 days of receipt of such non-refundable deposit, the City shall notify such owner of the prepayment amount of such Assessor's Parcel.

The Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance
plus	Administrative Fee
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, compute the Assigned Special Taxes for Facilities and the Backup Special Taxes for Facilities applicable to the Assessor's Parcel. For Assessor's Parcels of Final Map Property or Undeveloped Property, excluding any Undeveloped Property pursuant to Section

J., compute the Assigned Special Tax for Facilities and the Backup Special Tax for Facilities applicable to the Assessor's Parcel as though it was already designated as Developed Property based upon the Building Permit issued or to be issued for that Assessor's Parcel. For Assessor's Parcels classified as Undeveloped Property pursuant to Section J., compute the Assigned Special Tax for Facilities.

2. For each Assessor's Parcel of Developed Property, Final Map Property or Undeveloped Property to be prepaid, (a) divide the Assigned Special Tax for Facilities computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Special Tax for Facilities applicable to all Assessor's Parcels of Taxable Property at build out, as reasonably determined by the City, and (b) divide the Backup Special Tax for Facilities computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Special Tax for Facilities applicable to all Assessor's Parcels of Taxable Property at build out, as reasonably determined by the City.
3. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by Outstanding Bonds. The product shall be the "Bond Redemption Amount".
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. Compute the Future Facilities Cost.
6. Multiply the larger quotient computed pursuant to paragraph 2 (a) or 2 (b) by the amount determined pursuant to paragraph 5. to determine the Future Facilities Cost to be prepaid (the "Future Facilities Amount").
7. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 11) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the Outstanding Bonds.
8. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the Outstanding Bonds.
9. Subtract the amount computed pursuant to paragraph 8 from the amount computed pursuant to paragraph 7. This difference is the "Defeasance."
10. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
11. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirements, 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 requirements in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.

12. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to the Special Tax for Facilities obligation that is prepaid pursuant to this Section G, the City Council shall indicate in the records of CFD No. 93-1 that there has been a prepayment of the Special Tax for Facilities obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Special Tax for Facilities obligation and the release of the Special Tax for Facilities lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Taxes for Facilities shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax for Facilities that may be levied on Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

### **SECTION H- PARTIAL PREPAYMENT OF SPECIAL TAX FOR FACILITIES**

The Special Tax for Facilities obligation of an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a building permit has been issued and will be classified as Developed Property in the next Fiscal Year, as calculated in this Section H. below, may be partially prepaid, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax for Facilities obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = P_G \times F$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount.
- $P_G$  = the Prepayment Amount calculated according to Section G.
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax for Facilities obligation.

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the records of CFD No. 93-1 that there has been a partial prepayment of the Special Tax for Facilities obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax for Facilities obligation, to indicate the partial prepayment of the Special Tax for Facilities obligation and the partial release of the Special Tax for Facilities lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax for Facilities shall cease.

**MANDATORY PARTIAL PREPAYMENT:** Prior to the close of escrow for the first transfer of title of any Developed Parcel after the date on which a Certificate of Occupancy for such Parcel was issued by the City, the Maximum Special Tax shall be subject to mandatory partial prepayment in a amount necessary to bring the Total Property Tax Burden for the then-current Fiscal Year to an amount less than or equal to 2% of the sale price of the Parcel. The amount required shall be due and payable upon transfer of title. No prepayment shall be required if the Total Property Tax Burden is not in excess of the 2% limit. The Builder shall notify the City in writing of the mandatory partial repayment requirement at least 30 days prior to close of escrow. The City shall calculate and determine the prepayment amount using the methodology for

a partial prepayment herein, such that the partial prepayment shall be in the exact percentage required for a Total Property Tax Burden not in excess of the 2% limit.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Tax for Facilities that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

### **SECTION I - TERMINATION OF SPECIAL TAX**

For each Fiscal Year that any Bonds are outstanding the Special Tax for Facilities shall be levied on all Assessor's Parcels subject to the Special Tax for Facilities. If any delinquent Special Tax for Facilities remain uncollected prior to or after all Bonds are retired, the Special Tax for Facilities may be levied to the extent necessary to reimburse CFD No. 93-1 for uncollected Special Tax for Facilities associated with the levy of such Special Taxes for Facilities, but not later than the 2143-44 Fiscal Year. The Special Tax for Services shall be levied as long as it is needed to meet the Special Tax Requirement for Services, as determined at the sole discretion of the City Council.

### **SECTION J - EXEMPTIONS**

The City shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a homeowners' association, or (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property to less than the Minimum Acreage. Notwithstanding the above, the City Council shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property to less than the Minimum Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Acreage will continue to be classified as Undeveloped Property, and will continue to be subject to Special Taxes accordingly.

### **SECTION K - APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Council not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 93-1 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, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

### **SECTION L - MANNER OF COLLECTION**

The Annual 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 collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

**EXHIBIT B**

**COMMUNITY FACILITIES DISTRICT NO. 93-1  
IMPROVEMENT AREA NO. 21**

Property Owner	Property Description (Legal)	Acreage
<b>CRV-SC BEAUMONT PARTNERS, L.P.</b>	<p><b>PARCEL A:</b></p> <p>THOSE PORTIONS OF THE NORTHWEST QUARTER OF SECTION 7 AND OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, LYING SOUTH OF THAT CERTAIN HIGHWAY DESCRIBED IN DEED RECORDED OCTOBER 29, 1915 IN BOOK 433, PAGE 7 OF DEEDS, RIVERSIDE COUNTY RECORDS;</p> <p>EXCEPTING THEREFROM THE PORTIONS CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED DECEMBER 10, 1934 IN BOOK 203, PAGE 321, OFFICIAL RECORDS, RIVERSIDE COUNTY RECORDS, AND BY DEEDS FILED FOR RECORD JUNE 18, 1958 IN BOOK 2287, PAGE 470 AND BOOK 2287, BOOK 474 BOTH OF OFFICIAL RECORDS;</p> <p>ALSO EXCEPTING THEREFROM SEVENTY-FIVE PERCENT OF ALL OIL AND MINERAL RIGHTS, AS RESERVED IN DEED FROM DELBERT C. FOWLER ET AL. RECORDED FEBRUARY 4, 1960 AS INSTRUMENT NO. 9595 AND RECORDED FEBRUARY 10, 1960 AS INSTRUMENT NO. 11428, BOTH OF OFFICIAL RECORDS;</p> <p><b>PARCEL B:</b></p> <p>AN APPURTENANT NON-EXCLUSIVE EASEMENT FOR RIGHT-OF-WAY FOR ROAD PURPOSES MORE FULLY DEFINED IN DOCUMENT RECORDED JUNE 24, 1982 AS INSTRUMENT NO. 108614 IN OFFICIAL RECORDS.</p> <p>(APN: 421-020-001)</p>	163.83
<b>CRV-SC BEAUMONT PARTNERS, L.P.</b>	<p>THE WEST ONE HALF OF THE WEST ONE HALF OF THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, LYING SOUTHERLY OF THAT CERTAIN HIGHWAY DESCRIBED IN DEED TO THE COUNTY OF RIVERSIDE, RECORDED IN BOOK 433, PAGE 7 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;</p> <p>EXCEPTING THEREFROM THAT CERTAIN PARCEL OF LAND CONVEYED TO THE STATE OF CALIFORNIA, FOR HIGHWAY PURPOSES BY DEED FROM C.W. NICKLIN, ET UX, RECORDED NOVEMBER 15, 1934 IN BOOK 200, PAGE 445 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;</p> <p>ALSO EXCEPTING THEREFROM THAT PORTION THEREOF AS CONVEYED TO THE STATE OF CALIFORNIA FOR FREEWAY PURPOSES BY DEED RECORDED SEPTEMBER 5, 1959 IN BOOK 2328, PAGE 313 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.</p> <p>(APN: 421-020-001)</p>	36.33
<b>Total Acreage</b>		200.26