



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. 8 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. 8 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 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.

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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. 8 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") 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 Rate and Method of Apportionment attached hereto as Exhibit A.

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. 8 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 or other description of the real property included within the Improvement Area and not exempt from the special tax are as follows as they appear on

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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:

ASSESSOR'S  
PARCEL NUMBERS

TITLEHOLDER

Not yet assigned; Parcel B of  
lot line adjustment pursuant to  
Instrument Number 21972 recorded on  
January 11, 2002 (portion of existing Assessor's Parcels  
406-170-011, 419-020-017 and 419-020-018)

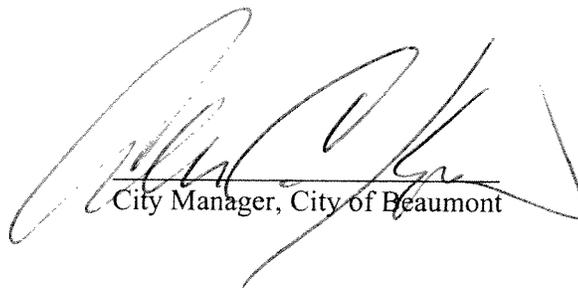
Pardee Construction Company

Reference is made to the amended boundary map of City of Beaumont Community Facilities District No. 93-1 recorded on March 13, 2002 at Book 50, Page 82 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: March 22, 2002

  
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City Manager, City of Beaumont



**EXHIBIT A**

[INSERT RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX]



**EXHIBIT A**

**RATE AND METHOD OF  
APPORTIONMENT FOR  
IMPROVEMENT AREA NO. 8 OF  
COMMUNITY FACILITIES DISTRICT NO. 93-1  
OF THE CITY OF BEAUMONT**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Taxes of the City of Beaumont ("City") Community Facilities District No. 93-1 Improvement Area No. 8 ("CFD No. 93-1"). An Annual Special Tax shall be levied on and collected in CFD No. 93-1 each Fiscal Year, in an amount determined through the application of the Rate and Method of Apportionment described below. All of the real property in 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 as calculated from the applicable Assessor's Parcel Map by the City.

**"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 incurred by the City on behalf 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 CFD No. 93-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 93-1.

**"Annual Special Tax"** means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

**"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.



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**"Assessor's Parcel Number"** means that number assigned to an Assessor's Parcel by the County for purposes of identification.

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

**"Backup Annual Special Tax"** 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 have been pledged.

**"Building Permit"** means a permit for the construction of one or more Units. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of commercial/industrial structures, parking structures, 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 No. 93-1"** means Community Facilities District No. 93-1 established by the City under the Act.

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

**"County"** means the County of Riverside.

**"Developed Property"** means all Assessor's Parcels for which Building Permits were issued on or before March 1 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.

**"Exempt Property"** means all Assessor's Parcels designated as being exempt from Special Taxes in Section J.

**"Final Map"** means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder.



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

**"Improvement Area No. 8"** means Improvement Area No. 8 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, determined in accordance with Section C, that can be levied by CFD No. 93-1 in any Fiscal Year on any Assessor's Parcel.

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

**"Partial Prepayment Amount"** means the amount required to prepay a portion of the Annual Special Tax 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 Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

**"Special Tax"** means any of the special taxes authorized to be levied by CFD No. 93-1 pursuant to the Act.

**"Special Tax Requirement"** means the amount required in any Fiscal Year 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 of CFD No. 93-1, (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 association with the Bonds, (v) the collection or accumulation of funds for the acquisition or construction of facilities authorized by CFD No. 93-1 provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on 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.

**"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.

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"Unit" means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

## SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2002-03, each Assessor's Parcel within CFD No. 93-1 shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, beginning with Fiscal Year 2002-03, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property or Undeveloped Property. Lastly, each Fiscal Year, beginning with Fiscal Year 2002-03, each Assessor's Parcel of Developed Property shall further be classified as Residential Property or Non Residential Property.

## SECTION C MAXIMUM SPECIAL TAXES

### 1. Developed Property

The Maximum Special Tax 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 Annual Special Tax or (ii) the application of the Backup Annual Special Tax.

The Maximum Special Tax 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.

### 2. Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property in any Fiscal Year shall be the Assigned Annual Special Tax.

## SECTION D ASSIGNED ANNUAL SPECIAL TAXES

### 1. Developed Property

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



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**TABLE 1**

**DEVELOPED PROPERTY  
ASSIGNED ANNUAL SPECIAL TAX RATES**

<b>Land Use Type</b>	<b>Building Square Footage</b>	<b>Rate</b>
Residential Property	Less than or equal to 1,200	<b>\$ 764 per Unit</b>
Residential Property	1,201 - 1,700	<b>\$ 825 per Unit</b>
Residential Property	1,701 - 1,900	<b>\$ 948 per Unit</b>
Residential Property	1,901 - 2,100	<b>\$ 1,001 per Unit</b>
Residential Property	2,101 - 2,300	<b>\$ 1,027 per Unit</b>
Residential Property	2,301 - 2,500	<b>\$ 1,078 per Unit</b>
Residential Property	2,501 - 2,900	<b>\$ 1,235 per Unit</b>
Residential Property	Greater than or equal to 2,901	<b>\$ 1,356 per Unit</b>
Non Residential Property	N/A	<b>\$ 2,000 per Acre</b>

**2. Undeveloped Property**

Each Fiscal Year, each Assessor's Parcel of Undeveloped Property shall be subject to an Assigned Annual Special Tax. The Assigned Annual Special Tax rate for an Assessor's Parcel classified as Undeveloped Property for any Fiscal Year shall be \$6,094 per Acre.

**SECTION E  
BACKUP ANNUAL SPECIAL TAXES**

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

$$B = \frac{\$6,094 \times A}{L}$$

The terms above have the following meanings:

- B = Backup Annual Special Tax per Lot in each 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.

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 Annual

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Special Tax 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 Annual Special Taxes 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 Annual Special Tax 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 may be levied.

**SECTION F**  
**METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX**

Commencing Fiscal Year 2002-03 and for each subsequent Fiscal Year, the City Council shall levy Annual Special Taxes on all Taxable Property within Improvement Area A until the amount of Annual Special Taxes equals the Special Tax Requirement in accordance with the following steps:

- Step One: The Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Annual Special Tax rates in Table 1 as needed to satisfy the Special Tax Requirement.
- Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Annual Special Tax 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 Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Special Tax Requirement, then the Annual Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is the Backup Annual Special Tax shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax as needed to satisfy the Special Tax Requirement.
- Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the three steps have been completed, the Annual Special Tax shall be

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

## SECTION G PREPAYMENT OF ANNUAL SPECIAL TAXES

The following definitions apply to this Section G:

**"CFD Public Facilities"** means \$10,000,000 expressed in 2002 dollars, which shall increase by the Construction Inflation Index on January 1, 2003, 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 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 Maximum Special Taxes.

The Annual Special Tax obligation of an Assessor's Parcel of Developed Property, an Assessor's Parcel of 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 E. 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 Annual Special Tax obligation would be prepaid. The



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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 Annual Special Tax 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
less	<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 Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel. For Assessor's Parcels of Undeveloped Property, excluding any Undeveloped Property pursuant to Section J., compute the Assigned Annual Special Taxes and the Backup Annual Special Taxes 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 of Undeveloped Property, classified as Undeveloped Property pursuant to Section J., compute the Assigned Annual Special Tax.
2. For each Assessor's Parcel of Developed Property or Undeveloped Property to be prepaid, (a) divide the Assigned Annual Special Taxes computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Annual Special Taxes applicable to all Assessor's Parcels of Taxable Property at buildout, as reasonably determined by the City, and (b) divide the Backup Annual Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Annual Special Taxes applicable to all Assessor's Parcels of Taxable Property at buildout, as reasonably determined by the City.



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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.



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With respect to an Annual Special Tax 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 Annual Special Tax 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 Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Annual Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes 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 ANNUAL SPECIAL TAXES**

The Annual Special Tax 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 Annual Special Tax 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<sub>G</sub> = the Prepayment Amount calculated according to Section G.
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax 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 Annual Special Tax 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 Annual Special Tax obligation, to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes 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.



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**SECTION I  
TERMINATION OF SPECIAL TAX**

For each Fiscal Year that any Bonds are outstanding the Annual Special Tax shall be levied on all Assessor's Parcels subject to the Annual Special Tax. If any delinquent Annual Special Taxes remain uncollected prior to or after all Bonds are retired, the Annual Special Tax may be levied to the extent necessary to reimburse CFD No. 93-1 for uncollected Annual Special Taxes associated with the levy of such Annual Special Taxes, but not later than the 2042-43 Fiscal Year.

**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 150.26 Acres. 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 150.26 Acres. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than 150.26 Acres 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 Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).



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**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 Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.



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