

CITY OF WILDOMAR CITY COUNCIL
Agenda Item #1.2
CONSENT CALENDAR
Meeting Date: January 25, 2011

TO: Mayor and City Council Members
FROM: Gary Nordquist, Assistant City Manager
SUBJECT: Warrant Registers dated January 13, and January 20, 2011

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council approve the following Warrant Registers:

1. Dated January 13, 2011, in the amount of \$41,222.45; and
2. Dated January 20, 2011, in the amount of \$37,277.11.

BACKGROUND:

The City of Wildomar requires that the City Council audit payments of demands and direct the City Manager to issue checks. The Warrant and Payroll Registers are submitted for approval.

FISCAL IMPACTS:

These Warrant and Registers will have a budgetary impact in the amount noted in the recommendation section of this report. These costs are included in the Fiscal Year 2010-11 Budget.

Submitted by:

Approved by:

Gary Nordquist
Assistant City Manager

Frank Oviedo
City Manager

vchlist
01/13/2011 1:06:29PM

Voucher List
City of Wildomar

Page: 1

Bank code : wf

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
200227	1/10/2011	000208 CITY OF RIVERSIDE	1-10-11		LEAGUE OF CA CITIES MTG	200.00
					Total :	200.00
200228	1/13/2011	000212 AMERICAN SOCIETY FOR, PUBLIC ADMI	122010		ASPA MEMBERSHIP-ASST CM	131.00
					Total :	131.00
200229	1/13/2011	000213 CARLOS URRUTIA CONSULTING	10311		CITY MANAGER EVALUATION CON:	3,419.37
					Total :	3,419.37
200230	1/13/2011	000074 CHUNG AND CHUNG ACCOUNTANCY, C-	10944		ACCTG SVC 10/4-11/3/10	3,370.00
					Total :	3,370.00
200231	1/13/2011	000047 COUNTY OF RIVERSIDE, SHERIFF'S DEI	SH0000015703		BOOKING FEE NOV 2010	921.48
					Total :	921.48
200232	1/13/2011	000036 DATAQUICK	B1-1893588		CODE ENFORCEMENT SOFTWARE	111.20
					Total :	111.20
200233	1/13/2011	000022 EDISON	10411 10411A 10711 10711A 10711B 10811		ZONE 73 CITY LAMPS DEC 2010 MARN O'BRIEN ELECT DEC 2010 CSA22 ELECT DEC 2010 CSA103 ELECT DEC 2010 CITY LAMPS ELECT DEC 2010 CSA142 ELECT DEC 2010	65.69 34.40 3,022.53 12,769.20 378.98 2,024.78
					Total :	18,295.58
200234	1/13/2011	000113 LEAGUE OF CALIFORNIA CITIES	105819		MEMBERSHIP DUES 2011	11,736.00
					Total :	11,736.00
200235	1/13/2011	000084 MUNISERVICES, LLC	23785		SALES TAX REPORTING SVCS 6-3C	1,965.22
					Total :	1,965.22
200236	1/13/2011	000049 NORTH COUNTY TIMES	2279176		PUBLIC HEARING NOTICE 12-26-10	95.52
					Total :	95.52
200237	1/13/2011	000018 ONTRAC	7014382		OVERNIGHT DELIVERY SVC	17.08

Page: 1

vchlist
01/13/2011 1:06:29PM

Voucher List
City of Wildomar

Page: 2

Bank code : wf

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
200237	1/13/2011	000018	000018 ONTRAC		(Continued)	Total : 17.08
200238	1/13/2011	000214	ROTARY CLUB OF WILDOMAR	10711	1ST QTR DUES 2011	360.00
						Total : 360.00
200239	1/13/2011	000078	WILDOMAR AWARDS AND TROPHIES	WAT0000031	ADULT SOFTBALL STAFF DEC 2010	600.00
						Total : 600.00
13 Vouchers for bank code : wf						Bank total : 41,222.45
13 Vouchers in this report						Total vouchers : 41,222.45

Page: 2

Bank code : wf

Voucher	Date	Vendor	invoice	PO #	Description/Account	Amount
200240	1/20/2011	000044 A&A JANITORIAL SERVICES	1616		MARNA JANITORIAL SRVCS & SUP	570.00
					Total :	570.00
200241	1/20/2011	000033 AMERICAN FORENSIC NURSES	59310 59326		BLOOD DRAW	41.08
					BLOOD DRAW	41.08
					Total :	82.16
200242	1/20/2011	000028 CALPERS	11511		HEALTH PREM CONTRIB JAN&FEB	8,822.84
					Total :	8,822.84
200243	1/20/2011	000027 DIRECTTV	1426817829		CITY HALL CABLE SRVCS 1/12-2/11	83.99
					Total :	83.99
200244	1/20/2011	000024 GUARDIAN	011811		DENT/VIS BENEFITS JAN & FEB 20	865.65
					Total :	865.65
200245	1/20/2011	000040 IMAGE PRINTING SYSTEMS	20031 20032		OFFICE SUPPLIES- LETTERHEAD	587.25
					BUS. CARDS- MAYOR & 2 COUNCIL	187.59
					Total :	774.84
200246	1/20/2011	000016 INNOVATIVE DOCUMENT SOLUTIONS	98430		CONTRACT COPIER SRVCS 12/1-1/	444.92
					Total :	444.92
200247	1/20/2011	000147 MARATHON REPROGRAPHICS	60040 60429		PLANNING COMMISSION SUPPLIES	7.29
					DEV. ENGINEERING COPIES & SUP	111.35
					Total :	118.64
200248	1/20/2011	000042 PV MAINTENANCE, INC.	005-116		GAS TAX/PUB WORKS SRVCS NOV	20,835.01
					Total :	20,835.01
200249	1/20/2011	000053 REPUBLIC ITS	1110397 1110398 21833		TRAFFIC SIGN RESPONSE NOV10	1,863.48
					TRAFFIC SIGN MAINT NOV 2010	1,370.00
					EMERGENCY CALL RESP-SIGN RE	619.05
					Total :	3,852.53
200250	1/20/2011	000215 THE PRESS-ENTERPRISE	RC-062		NEWSPAPER SUB. 2/4/11-2/2/12	175.76

vchlist
01/20/2011 12:53:48PM

Voucher List
City of Wildomar

Page: 2

Bank code : wf

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
200250	1/20/2011	000215	000215 THE PRESS-ENTERPRISE	(Continued)		Total : 175.76
200251	1/20/2011	000020	VERIZON	010111 010111A	TELEPHONE CHRGS 1/1-1/31/11 OFFICE PHONE CHRGS 12/2/10-1/1	37.89 572.88 Total : 610.77
200252	1/20/2011	000139	WILDOMAR CHAMBER OF COMMERCE	JB1003	BUS NETWORKING MTNG	40.00 Total : 40.00
13 Vouchers for bank code : wf						Bank total : 37,277.11
13 Vouchers in this report						Total vouchers : 37,277.11

Page: 2

CITY OF WILDOMAR – CITY COUNCIL
Agenda Item #1.3
CONSENT CALENDAR
Meeting Date: January 25, 2011

TO: Mayor and City Council Members
FROM: Gary Nordquist, Assistant City Manager
SUBJECT: Treasurer's Report, December 2010

STAFF REPORT

RECOMMENDATION:

Staff recommends City Council to approve the Treasurer's Reports.

BACKGROUND/DISCUSSION:

Attached is the Treasurer's Report for Cash and Investments for the month of December 2010.

FISCAL IMPACTS:

None at this time.

Submitted by:

Approved by:

Gary Nordquist
Assistant City Manager

Frank Oviedo
City Manager

ATTACHMENTS:

Treasurer's Report

CITY OF WILDOMAR
 TREASURER'S REPORT FOR
 CASH AND INVESTMENT PORTFOLIO
December 2010

CITY CASH

<u>FUND</u>	<u>ACCOUNT</u>	<u>INSTITUTION</u>	<u>BALANCE</u>	<u>RATE</u>
All	All	WELLS FARGO	\$ <u>3,199,018.55</u>	0.00%
		TOTAL	\$ <u>3,199,018.55</u>	

<u>FUND</u>	<u>ACCOUNT</u>	<u>INSTITUTION</u>	<u>BEGINNING BALANCE</u>	<u>+ DEPOSITS</u>	<u>(-) WITHDRAWALS</u>	<u>ENDING BALANCE</u>	<u>RATE</u>
All	All	WELLS FARGO	\$ <u>2,365,924.25</u>	\$ <u>1,259,589.27</u>	\$ <u>(426,494.97)</u>	\$ <u>3,199,018.55</u>	0.000%
		TOTAL	\$ <u>2,365,924.25</u>	\$ <u>1,259,589.27</u>	\$ <u>(426,494.97)</u>	\$ <u>3,199,018.55</u>	

CITY INVESTMENT

<u>FUND</u>	<u>ISSUER</u>	<u>BOOK VALUE</u>	<u>FACE VALUE</u>	<u>MARKET VALUE</u>	<u>PERCENT OF PORTFOLIO</u>	<u>DAYS TO MAT.</u>	<u>STATED RATE</u>
All	LOCAL AGENCY INVESTMENT FUND	\$ <u>1,526,306.96</u>	\$ <u>1,526,306.96</u>	\$ <u>1,526,306.96</u>	<u>100.00%</u>	0	0.462%
	TOTAL	\$ <u>1,526,306.96</u>	\$ <u>1,526,306.96</u>	\$ <u>1,526,306.96</u>	<u>100.00%</u>		

CITY - TOTAL CASH AND INVESTMENT \$ 4,725,325.51

CITY INVESTMENT

<u>FUND</u>	<u>ISSUER</u>	<u>BEGINNING BALANCE</u>	<u>+ DEPOSITS/ PURCHASES</u>	<u>(-) WITHDRAWALS/ SALES/ MATURITIES</u>	<u>ENDING BALANCE</u>	<u>STATED RATE</u>
All	LOCAL AGENCY INVESTMENT FUNDS	\$ <u>1,526,306.96</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>1,526,306.96</u>	0.462%
	TOTAL	\$ <u>1,526,306.96</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>1,526,306.96</u>	

In compliance with the California Code Section 53646, as the Director of Finance/ City Treasurer of the City of Wildomar, I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City's expenditure requirements for the next six months and that all investments are in compliance to the City's Statement of Investment Policy.
 I also certify that this report reflects all Government Agency pooled investments and all City's bank balances.

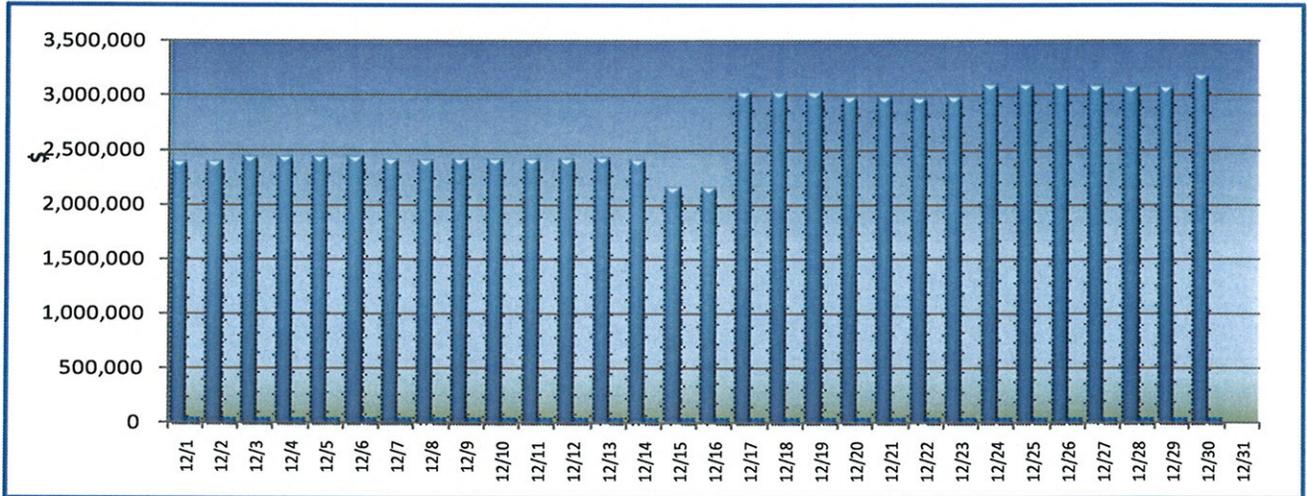
 Gary Nordquist
 ACM Finance & Administration /
 City Treasurer

 Date



December 2010

Daily Cash Balance
All Funds Checking Only
Pool Report Balance



December 2010

Fiscal Year	Ending Balance	Monthly Net Activity
July 2008	\$ 20,855	\$ 20,855
Aug 2008	2,297,920	2,277,065
Sept 2008	2,402,083	104,163
Oct 2008	2,340,436	(61,647)
Nov 2008	2,203,169	(137,267)
Dec 2008	747,664	(1,455,505)
Jan 2009	826,502	78,838
Feb 2009	733,251	(93,251)
Mar 2009	571,857	(161,394)
April 2009	644,285	72,428
May 2009	687,746	43,461
June 2009	1,266,750	579,004
July 2009	2,027,072	760,322
Aug 2009	4,745,827	2,718,755
Sept 2009	4,201,825	(544,002)
Oct 2009	3,674,234	(527,592)
Nov 2009	3,098,110	(576,124)
Dec 2009	2,963,884	(710,350)
Jan 2010	2,801,810	(296,300)
Feb 2010	2,919,794	117,984
Mar 2010	2,397,718	(522,076)
April 2010	3,239,669	841,951
May 2010	3,200,801	(38,868)
June 2010	3,159,501	(41,300)
July 2010	3,008,802	(150,699)
Aug 2010	3,860,503	851,700
Sept 2010	3,069,412	(791,091)
Oct 2010	2,992,344	(77,068)
Nov 2010	2,365,924	(626,420)
Dec 2010	3,199,019	833,094

Date	Ending Balance In Whole \$	Net Change from Prior Day
12/1	2,404,935	-
12/2	2,405,028	93
12/3	2,441,034	36,006
12/4	2,441,034	-
12/5	2,441,034	-
12/6	2,439,332	(1,702)
12/7	2,424,395	(14,937)
12/8	2,414,015	(10,380)
12/9	2,418,132	4,117
12/10	2,422,476	4,343
12/11	2,422,476	-
12/12	2,422,476	-
12/13	2,430,622	8,147
12/14	2,415,937	(14,685)
12/15	2,156,004	(259,933)
12/16	2,155,918	(86)
12/17	3,028,717	872,800
12/18	3,028,717	-
12/19	3,028,717	-
12/20	2,991,242	(37,476)
12/21	2,989,988	(1,254)
12/22	2,975,928	(14,060)
12/23	2,991,290	15,362
12/24	3,097,094	105,804
12/25	3,097,094	-
12/26	3,097,094	-
12/27	3,090,461	(6,633)
12/28	3,083,430	(7,031)
12/29	3,080,540	(2,890)
12/30	3,191,218	110,678
12/31	3,199,019	7,800

CITY OF WILDOMAR – CITY COUNCIL
Agenda Item #1.4
CONSENT CALENDAR
Meeting Date: January 25, 2011

TO: Mayor and City Council Members

FROM: Debbie A. Lee, City Clerk

SUBJECT: Appointments to the Public Agency Risk Sharing Authority of California (PARSAC)

STAFF REPORT

RECOMMENDATION:

That the City Council adopt a Resolution entitled:

RESOLUTION NO. 2011 - _____
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR,
CALIFORNIA, APPOINTING A REPRESENTATIVE AND ALTERNATE
TO THE PUBLIC AGENCY RISK SHARING AUTHORITY OF
CALIFORNIA (PARSAC) BOARD OF DIRECTORS

BACKGROUND:

At the City Council meeting of December 22, 2010, the City Council made appointments to the various regional committees, commissions, and boards. One of these appointments was to the Public Agency Risk Sharing Authority of California (PARSAC). The City Council appointed Council Member Bob Cashman as the representative, and Gary Nordquist, Assistant City Manager and Risk Manager, as the alternate.

In talking with PARSAC about these appointments, Staff learned that the Council must adopt a formal Resolution regarding the appointments in order for them to be recognized by PARSAC. Once adopted, the City Clerk will send a certified copy of the Resolution to PARSAC after which the City's representative and alternate will be official.

PARSAC also recommended that the Resolution appoint representatives by title, rather than by designating a specific person. In this way when the City Council reorganizes it will not have to adopt another Resolution unless the Council wishes to appoint someone other than "one Council Member" or "Risk Manager".

Staff has worked with PARSAC to ensure that the way in which the appointments are done are to the satisfaction of PARSAC to avoid any problems.

FISCAL IMPACTS:
None.

Submitted by:

Approved by:

Debbie A. Lee, CMC
City Clerk

Frank Oviedo
City Manager

RESOLUTION NO. 2011 - _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
WILDOMAR, CALIFORNIA, APPOINTING A REPRESENTATIVE AND
ALTERNATE TO THE PUBLIC AGENCY RISK SHARING AUTHORITY
OF CALIFORNIA (PARSAC) BOARD OF DIRECTORS**

Whereas, the City of Wildomar (the "City") is a party to the Revised and Restated Joint Powers Agreement creating the Public Agency Risk Sharing Authority of California, dated December 2, 2010 (the "Joint Powers Agreement") and, as such, is a Member Agency of the Public Agency Risk Sharing Authority of California ("PARSAC"), as that term is defined in the Joint Powers Agreement; and

Whereas, pursuant to the Joint Powers Agreement, each Member Agency of PARSAC is required to appoint a Director and an Alternate Director to act in the Director's absence, to represent the City/Town as if the City/Town itself were present and acting on the PARSAC Board of Directors for all matters which come before such Board of Directors, and also for the Director to be eligible for serving on the PARSAC Executive Committee.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Wildomar, California, hereby appoints one Council Member to serve as its Director on the PARSAC Board of Directors to act on behalf of the City; and appoints the City's Risk Manager to serve as Alternate Director in the absence of the Director.

BE IT FURTHER RESOLVED that the City Clerk is instructed to inform the Secretary of PARSAC of the above appointments by sending a certified copy of this Resolution to PARSAC's business office.

PASSED, APPROVED, AND ADOPTED this 25th day of January, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

Debbie A. Lee, CMC
City Clerk

CITY OF WILDOMAR – COUNCIL
Agenda Item #1.5
CONSENT CALENDAR
Meeting Date: January 25, 2011

TO: Mayor and City Council Members
FROM: Paula Willette, Community Services Director
SUBJECT: Termination of Local Emergency Proclamation

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution entitled:

RESOLUTION NO. 2011 – _____
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR,
CALIFORNIA, TERMINATING THE EXISTENCE OF A LOCAL EMERGENCY UNDER
GOVERNMENT CODE SECTION 8630 AND CHAPTER 2.08 OF THE WILDOMAR
MUNICIPAL CODE

DISCUSSION:

Termination of the local emergency proclaimed December 21, 2010 is mandated under Government Code Section 8630 and Chapter 2.08 of the City Municipal Code once conditions of extreme peril caused by the emergency are deemed to be within the control of normal services.

Submitted By:

Approved By:

Paula Willette
Community Services Director

Frank Oviedo
City Manager

ATTACHMENTS:

Resolution No. 2011 - _____

RESOLUTION NO. 2011 – _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, TERMINATING THE EXISTENCE OF A LOCAL EMERGENCY UNDER GOVERNMENT CODE SECTION 8630 AND CHAPTER 2.08 OF THE WILDOMAR MUNICIPAL CODE

WHEREAS, the City Council of the city of Wildomar found that conditions of extreme peril to the safety of persons and property had arisen within said City caused by severe storms commencing on December 21, 2010; and

WHEREAS, the City Council ratified a Proclamation of Local Emergency on December 22, 2010; and

WHEREAS, conditions of extreme peril caused by the emergency are now deemed to be within the control of the normal protective services, personnel, equipment, and facilities of said City.

NOW THEREFORE, IT IS PROCLAIMED AND ORDERED by the City Council of the City of Wildomar, State of California, which said Proclamation of local Emergency issued on December 21, 2010, and ratified on December 22, 2010, is hereby terminated.

IT IS FURTHER ORDERED that a copy of this Proclamation of Termination of Local Emergency be forwarded to the Riverside County Operational Area and to the State Director of the Governor's Office of Emergency Services.

PASSED APPROVED AND ADOPTED this 25th day of January, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

Debbie A. Lee, CMC
City Clerk

CITY OF WILDOMAR – CITY COUNCIL

Agenda Item #3.1

GENERAL BUSINESS

Meeting Date: January 25, 2011

TO: Mayor and City Council Members
FROM: Debbie A. Lee, City Clerk
SUBJECT: Designating the Time, Date, and Location of City Council Meetings

STAFF REPORT

RECOMMENDATION:

That the City Council adopt a Resolution entitled:

RESOLUTION NO. 2011 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR,
CALIFORNIA, DESIGNATING THE TIME, DATE, AND LOCATION OF CITY COUNCIL
MEETINGS AND RESCINDING RESOLUTION NO. 08-05

BACKGROUND:

The City Council held a Norming Session on Saturday, January 8, 2011. At that session one of the items the City Council discussed was changing the start time of City Council meetings from 7:00 p.m. to 6:00 p.m. After discussion, there was a consensus agreement that the time would be changed to 6:30 p.m.

In order for the time change to be official and in effect, the City Council must adopt a Resolution reflecting the change the Council wishes to make.

FISCAL IMPACTS:

None.

Submitted by:

Approved by:

Debbie A. Lee, CMC
City Clerk

Frank Oviedo
City Manager

ATTACHMENTS:

- A. Resolution No. 2011-_____
- B. Resolution No. 08-05

ATTACHMENT A

RESOLUTION NO. 2011 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, DESIGNATING THE TIME, DATE, AND LOCATION OF CITY COUNCIL MEETINGS AND RESCINDING RESOLUTION NO. 08-05

THE CITY COUNCIL OF THE CITY OF WILDOMAR DOES RESOLVE AS FOLLOWS:

SECTION 1. RECITALS

- A. The City of Wildomar was incorporated on July 1, 2008, as a General Law City of the State of California.
- B. Government Code sections 36805 and 54954 requires the City Council to hold regular meetings at least once a month at times set by Resolution or Ordinance.
- C. Section 2.01.010 of the Wildomar Municipal Code provides that the City Council shall set the time and place of the City Council meetings by Resolution.

SECTION 2. PLACE OF REGULAR MEETINGS

The regular meetings of the City Council shall be located at the City Hall Council Chambers, 23873 Clinton Keith Road, Wildomar, California.

SECTION 3. TIME OF REGULAR MEETINGS

The regular meetings of the City Council shall be held on the second and fourth Wednesdays of each month at the hour of 6:30 p.m., unless the same shall be a legal holiday, in which event such regular meeting shall be held on the next succeeding day.

SECTION 4. RESCIND RESOLUTION NO. 08-05

Resolution No. 08-05 is hereby rescinded in its entirety.

PASSED, APPROVED, AND ADOPTED this 25th day of January, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

Debbie A. Lee, CMC
City Clerk

ATTACHMENT B

RESOLUTION NO. 08-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, DESIGNATING THE TIME, DATE AND LOCATION OF CITY COUNCIL MEETINGS

THE CITY COUNCIL OF THE CITY OF WILDOMAR DOES RESOLVE AS FOLLOWS:

SECTION 1. Recitals.

- (a) The City of Wildomar was incorporated on July 1, 2008, as a general law city of the State of California.
- (b) Government Code sections 36805 and 54954 requires the City Council to hold regular meetings at least once a month at times set by resolution or ordinance.
- (c) Section 2.01.010 of the Wildomar Municipal Code provides that the City Council shall set the time and place of city council meetings by resolution.

SECTION 2. Place of Regular Meetings. The regular meetings of the City Council shall be located at the Oak Creek Center, 23878 Clinton Keith Road, Wildomar, California, beginning in August of 2008.

SECTION 3. Time of Regular Meetings. The regular meetings of the City Council shall be held on the second and fourth Wednesdays of each month at the hour of 7:00 p.m., unless the same shall be a legal holiday, in which event such regular meeting shall be held on the next succeeding day.

PASSED, APPROVED, AND ADOPTED this 1st day of July, 2008.



Bob Cashman, Mayor

ATTEST:



John Danielson, Interim City Clerk

APPROVED AS TO FORM:



Julie Hayward Biggs, Interim City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)
CITY OF WILDOMAR)

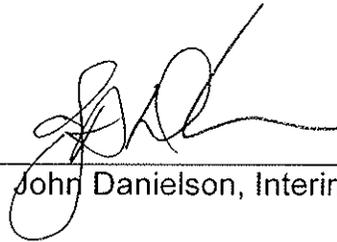
I, John Danielson, Interim City Clerk of the City of Wildomar, do hereby certify that the foregoing Resolution No. 08-05 was duly adopted by the City Council of the City of Wildomar at a special first meeting thereof, held on the 1st day of July, 2008, by the following vote:

AYES: Cashman; Swanson; Moore; Farnam; Ade

NOES: None

ABSTAIN: None

ABSENT: None



John Danielson, Interim City Clerk

CITY OF WILDOMAR – COUNCIL
Agenda Item #3.2
GENERAL BUSINESS
Meeting Date: January 25, 2011

TO: Mayor and City Council Members
FROM: Frank Oviedo, City Manager
SUBJECT: Save Our Parks Update

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council receive Update Report.

DISCUSSION:

Blue Ribbon Subcommittees/Chairs:

Blue Ribbon Logo: Chair John Lloyd

Education: Co-chairs, Irene Gallegos, Tracy Lobo, and George Taylor

Sponsorship: Henry Silvestre

Utilities: Co Chairs, Susan Lane and John Lloyd

Cost Cutting and Park Closures: Gary Nordquist and Paula Willette

At the January 18th 2011 Blue Ribbon Committee meeting, Paul Thompson from Webb and Associates joined us to get final direction from the committee on what should be included in the assessment as well as additional information.

1. The following are some of the highlights of the proposed assessment:
 - a. The annual base maximum tax would be \$28.00 for the current parks and would increase to a base maximum of \$45.00 when the park system is expanded on the east side of the I-15.
 - b. Consumer Price Index changes would apply annually to the base maximum tax.
 - c. The first year of the tax, the rate would be \$23.00 as more properties in the city would be participating in the program.
 - d. Includes all parcels in the City.
 - e. Provide for Senior Citizen exemptions at age 62 (Owner/occupied property).

Detailed Specifics will be presented at the January 25, 2011 meeting.

Fund Raising Efforts: \$12,796.69

Since, the last SOP Report to City Council the following events have occurred:

- Bracelets inscribed with “Save Our Parks” are available at City Hall for a donation of \$3.00 for one bracelet or 4 bracelets for \$10.00 continue to sell.

Upcoming events are:

- Wildomar Rotary & City Hall are taking reservations for family bowling and a poker tournament to be held at Brunswick Bowl in Murrieta on the evening of February 5. All proceeds will be donated to SOP.
- March 5 – Community Meeting at Marna O'Brien Park 10am. Details to follow

Additional updates, not ready at the time of this reports release, will also be present by staff at the City Council meeting.

Submitted and Approved by:

Frank Oviedo
City Manager

CITY OF WILDOMAR – COUNCIL
Agenda Item #3.3
GENERAL BUSINESS
Meeting Date: January 25, 2011

TO: Mayor and City Council Members

FROM: Frank Oviedo, City Manager

SUBJECT: Resolution Adopting the Local Goals & Policies and Appraisal Standards Concerning the Use of the Community Facilities Act of 1982

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution entitled:

RESOLUTION NO. 2011 - _____
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR,
CALIFORNIA, APPROVING LOCAL GOALS AND POLICIES AND APPRAISAL
STANDARDS

DISCUSSION:

Pursuant to Section 53312.7 of the Government Code, a City may initiate proceedings to establish a Community Facilities District (CFD) if it has first considered and adopted local goals, policies and appraisal standards concerning the use of CFDs. These goals, policies and appraisal standards must include the following:

- Statement of priorities for use of the Act.
- Statement concerning the credit quality of any bonds issued pursuant to the Act.
- Statement concerning the steps to be taken so that future property purchasers are fully informed about their taxpaying obligations imposed under the CFD.
- Statement concerning the criteria for evaluating equity of tax allocation formulas and methodologies.
- Statement of the definitions, standards and assumptions to be used in appraisals.

The Statement of Goals and Policies is a blanket policy which would apply to any and all community facilities districts formed or proposed to be formed by the City. The purpose of the Statement of Goals and Policies is to provide the City staff, the residents of the City and the owners and developers of property located within the City with guidance in the application for and consideration of the establishment of CFD's within the City for the purpose of financing or assisting in financing the acquisition, construction, or maintenance of public infrastructure or the provision of services to benefit and serve either existing or new development or a combination thereof.

The underlying principles behind this policy are the protection of the public interest, assuring fairness in the application of special taxes to current and future property owners, assuring full disclosure of the existence of any special tax liens, insuring the creditworthiness of any CFD bonds, protecting the City's credit rating and financial position and assuring that applicants for all CFD proceedings other than City-initiated proceedings pay all costs associated with the formation of any CFD.

In order for the City to initiate the proceedings to form Community Facilities District No. 2011-1 it must first adopt these local goals, policies and appraisal standards. These goals and policies and appraisal standards are standard in the industry and may be modified in the future by City Council action.

FISCAL IMPACT:

None

Submitted and Approved by:

Frank Oviedo
City Manager

ATTACHMENTS:

- (A) Resolution No. 2011 - _____
- (B) Exhibit A; LOCAL GOALS AND POLICIES AND APPRAISAL STANDARDS CONCERNING USE OF COMMUNITY FACILITIES ACT OF 1982.
- (C) Exhibit 1; TEXT OF SECTION 53345.8 OF THE ACT.

RESOLUTION NO. 2011 - _____
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR,
CALIFORNIA, APPROVING LOCAL GOALS AND POLICIES AND APPRAISAL
STANDARDS**

WHEREAS, the City Council of the City of Wildomar (the “City”) wishes to give consideration to form a community facilities district pursuant to Sections 53311 and following of the California Government Code (the “Act”); and

WHEREAS, Section 53312.7 of the Act provides that proceedings to establish a community facilities district pursuant to the Act may be initiated only after the local agency in question (in this case, the City of Wildomar) has first considered and adopted local goals and policies and appraisal standards concerning use of the Act; and

WHEREAS, a proposed set of Local Goals and Policies and Appraisal Standards (the “Local Goals and Policies”) has been prepared and submitted to the City Clerk for consideration by this City Council in order to comply with Section 53312.7 of the Act; and

WHEREAS, this City Council wishes to approve the Local Goals and Policies, a copy of which is attached to this resolution as Exhibit A.

NOW, THEREFORE, THE CITY COUNCIL HEREBY FINDS, DETERMINES AND RESOLVES as follows:

Section 1. The foregoing recital is true and correct, and this City Council so finds and determines.

Section 2. This City Council hereby approves the Local Goals and Policies in the form attached hereto as Exhibit A.

Section 3. This City Council finds that the Local Goals and Policies approved by this resolution contain the matters prescribed by Section 53312.7 of the Act and that adoption of the Local Goals and Policies enables this City Council to initiate proceedings to establish a community facilities district pursuant to the Act.

Section 4. This resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 25th day of January, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

Debbie A. Lee, CMC
City Clerk

Exhibit

"A"

**LOCAL GOALS AND POLICIES AND APPRAISAL
STANDARDS CONCERNING USE OF
COMMUNITY FACILITIES ACT OF 1982**

**EXHIBIT A
CITY OF WILDOMAR**

**LOCAL GOALS AND POLICIES AND APPRAISAL STANDARDS
CONCERNING USE OF COMMUNITY FACILITIES ACT OF 1982**

The City Council (the "Council") of the City of Wildomar, California (the "City") hereby adopts the following in compliance with Section 53312.7 and 53345.8 of the Community Facilities Act of 1982 (the "Act").

General Policy Respecting Use of the Act.

As a matter of general policy, the City will utilize the Act for purposes of (1) acquiring and constructing and providing financing for all or a prescribed portion of the cost and expense of public capital improvements ("facilities") to be owned by the City or other public agencies or regulated public utility companies and which serve a public purpose for the City and its inhabitants and (2) financing all or a prescribed portion of the estimated cost and expense of maintaining and operating such facilities and/or providing services as permitted by the Act.

Priorities for Use of Act.

Reserving the right to make exceptions when circumstances warrant, the City establishes the following priority for use of the Act:

1. Facilities which provide a community-wide benefit to all inhabitants of the City;
2. Facilities needed to serve a community plan or specific plan area that is currently deficient in off-site infrastructure needed to develop the area as planned, i.e. "backbone" infrastructure to support already approved community plan or specific plan areas;
3. Other facilities for which there is a clearly demonstrated public benefit but which benefit is likely to be greater to specific sub-areas of the City rather than community-wide;
4. Other facilities permitted by the Act;
5. The cost and expense of maintaining and operating any of the foregoing facilities;
and
6. The cost of services (including environmental mitigation monitoring programs) permitted to be paid for from special taxes under the Act.
Required Credit Quality.

The Council adopts the requirements of Section 53345.8 of the Act (a copy of which is set forth in Exhibit 1, attached hereto) as sufficient minimum standards for the credit quality of any bonds issued pursuant to the Act.

Disclosure to Property Purchasers.

The Council finds that the statutory requirements of disclosure to property purchasers contained in the Act, most notably, but not limited to, Sections 53328.3, 53328.5 (including the referenced sections of the California Streets and Highways Code), 53340.2 and 53341.5 adequately address this need, and no additional procedures need be imposed by the City. The Council reserves the right to require additional disclosure procedures in any particular case.

Requirements for Special Tax Formulas.

The proposed amount and apportionment of the special tax for each community facilities district ("CFD") shall comply with the following criteria:

1. The special tax formula shall be structured to produce sufficient annual special tax revenue to pay:
 - (a) annual debt service on special tax bonds which have been issued, if any;
 - (b) amounts needed to replenish any reserve funds for such bonds;
 - (c) reasonable annual administrative expenses of the City in the administration of the special taxes and the bonds, if any, of the CFD, including without limitation fees and expenses of trustees, fiscal agents, special tax consultants, arbitrage rebate compliance consultants, arbitrage rebate payments, and any incidental expenses related thereto; and
 - (d) the cost of any maintenance, services and "pay as you go" programs funded by the CFD special tax.
2. A backup special tax to protect against unforeseen contingencies, including but not limited to unusual levels of delinquency in the payment of the special tax.
3. The rate and method of apportionment may provide for an annual increase in the maximum special tax for all properties not to exceed the consumer price index (C.P.I.) annually and shall provide for prepayment and discharge of that portion of the special tax obligation on any properties pertaining to debt service on special tax bonds, if any, as distinguished from that portion of the special tax obligation on such properties pertaining to maintenance, services or other pay-as-you-go programs.
4. The total projected annual special tax revenues, less estimated annual administrative expenses, maintenance, services and pay-as-you-go program

- costs, shall be at least equal to the projected annual gross debt service on outstanding special tax bonds, if any.
5. All property within the CFD not otherwise statutorily exempted or owned (or to be owned) by a public entity and to be benefited shall bear its appropriate share of the special tax liability, as determined in the rate and method of apportionment of special taxes for the CFD.
 6. The special tax shall be allocated and apportioned on the basis of reasonableness to all categories and classes of property within the CFD, as determined by the Council; To the extent provided for by law, the Council may take into consideration property ownership characteristics.
 7. The total amount of projected ad valorem property tax and other direct and overlapping debt for the proposed CFD (including estimated CFD charges, projected benefit assessments, levies for authorized but unissued debt and any other anticipated municipal charges which may be included on a property owner's annual property tax bill), including the proposed maximum special tax, shall not exceed two and one-half percent (2½ %) of the estimated market value for any single family home, condominium or town home. Unless specially authorized by the Council, any deviations from the foregoing must be specifically approved by the Council.

Appraisal Standards.

The Appraisal Standards for Land Secured Financings (the "Standards") published by the California Debt and Investment Advisory Commission, dated May 1994 and updated July 2004 are adopted as the appraisal standards for the City with the following modifications:

1. The independent review appraiser is an option, and not a requirement.
2. The comparable sales method may be used whenever there is sufficient data available in the opinion of the appraiser.
3. The appraiser should assume the presence of the facilities to be financed with the proposed special tax bonds.
4. The special tax lien need not be computed as the present value of the future tax payments if there is a pre-payment mechanism or other more appropriate measure.
5. Except where necessary to make a meaningful comparable sale comparison, the appraiser is not to discount the value of property for the amount of the special tax or assessment liens. This also means that the special tax should be ignored in any discounted cash flow analysis.
6. Page 29 of the Standards, in the definition of "Bulk Sale Value," states the requirement that all parcels within a tract or development be included. Instead, it may be any defined portion of the property.

EXHIBIT 1

TEXT OF SECTION 53345.8 OF THE ACT

TEXT OF SECTION 53345.8 OF THE ACT

Government Code §53345.8. (a) The legislative body may sell bonds pursuant to this chapter only if it determines prior to the award of sale of bonds that the value of the real property that would be subject to the special tax to pay debt service on the bonds will be at least three times the principal amount of the bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to this chapter on property within the community facilities district or a special assessment levied on property within the community facilities district. Any determination made pursuant to this subdivision shall be based upon the full cash value as shown on the ad valorem assessment roll or upon an appraisal of the subject property made in a manner consistent with the policies adopted pursuant to paragraph (5) of subdivision (a) of Section 53312.7 by a state certified real estate appraiser, as defined in subdivision (c) of Section 11340 of the Business and Professions Code. The Treasurer may recommend definitions, standards, and assumptions to be used for these appraisals. These definitions, standards, and assumptions are advisory only, and the definitions, standards, and assumptions to be applied to appraisals will be those adopted by the local agency pursuant to paragraph (5) of subdivision (a) of Section 53312.7.

(b) Notwithstanding the provisions of subdivision (a), if the legislative body selling the bonds finds and determines that the proposed bonds do not present any unusual credit risk due to the availability of credit enhancements or for other reasons specified by the legislative body, the provisions of subdivision (a) may be disregarded.

(c) Notwithstanding the provisions of subdivision (a), if the legislative body selling the bonds finds and determines by a vote of not less than four-fifths of all of its members that the proposed bond issue should proceed for specified public policy reasons, the provisions of subdivision (a) may be disregarded.

A finding and determination by the legislative body pursuant to this subdivision shall be final and conclusive upon all persons in the absence of actual fraud, and neither the legislative body nor the district shall have any liability of any kind whatsoever out of, or in connection with, any finding and determination.

CITY OF WILDOMAR – COUNCIL
Agenda Item #3.4
GENERAL BUSINESS
Meeting Date: January 25, 2011

TO: Mayor and City Council Members
FROM: Frank Oviedo, City Manager
SUBJECT: Proposed City of Wildomar Community Facilities District No. 2011-1

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt a Resolution entitled:

RESOLUTION NO. 2011 - _____
RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF
WILDOMAR TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2011-1
(WILDOMAR PARKS) OF THE CITY OF WILDOMAR AND TO AUTHORIZE THE
LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO.
2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR

and;

2. Adopt a Resolution entitled:

RESOLUTION NO. 2011 - _____
RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF
WILDOMAR TO INCUR BONDED INDEBTEDNESS IN THE AMOUNT OF NOT TO
EXCEED \$5,000,000 WITHIN PROPOSED COMMUNITY FACILITIES DISTRICT
NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR

and;

3. Set a date of February 23, 2011, at 6:30 p.m. (or as soon thereafter) for a public hearing on the matter.

DISCUSSION:

August 30, 2006, 55.72% of the 6,858 residential parcels in the unincorporated area of Riverside County known as Wildomar, voted and approved an assessment, initially \$28.00 per year for maintenance services that would provide for the re-opening of the areas 3 parks. This assessment district was known as Landscape Maintenance District 2006-1. The base assessment of \$28 would increase to \$45 a year when a park was developed on the east side of the Interstate 15 freeway. The revenue generated from the residential parcel assessments (\$192,024) funded most of the maintenance costs for the approximately 15 acres of park land that serves a community of 31,000 residents.

July 1, 2008, the unincorporated area of Wildomar became incorporated as the City of Wildomar. June 30, 2009 the County of Riverside transferred the parks and LMD 2006-1 assets to the City. Prior to the transfer, the formation provisions of the district had been challenged in court and the ongoing representation of the district was handled by the County. On September 20, 2010, the California Courts declared the assessment was not valid and all appeals on behalf of the parks were exhausted. The City notified the County to remove the assessment from the tax bills and the source of funding for the City's park maintenance was gone.

At the October 13, 2010 City Council Meeting, the Council directed staff to form a Blue Ribbon Committee of 15 members, representing the numerous community interests. The committee was selected with the mission of determining an acceptable funding source for the City's Parks. Through the numerous meetings and with consultation from Webb Associates, the committee recommends that a Community Facilities District (CFD 2011-1) be created and the following and attached documents provide further details concerning this process.

The Boundaries of proposed CFD No. 2011-1 are shown in the Attachments, and they are contiguous with the City of Wildomar city limits. A Community Facilities District is proposed because it offers greater flexibility regarding the maintenance of parks and related public services that may have some benefit to the general public as well as to property owners.

CFD No. 2011-1 is proposed to provide a revenue stream for the maintenance, operation and park expansion for the city.

The special tax rate would be set at \$28 per single family home with a maximum annual increase based on the local consumer price index (CPI). All parcels within the City would participate in this assessment at a rate not to exceed the equivalent of \$28 per dwelling unit. When a park facility is constructed and operational on the east side of the I-15 freeway, the

annual assessment would increase to a base maximum of \$45 per year. The increase is needed for debt service payment on the new facility and additional maintenance costs.

Two alternative resolutions are include with this report. One provides an exemption for owner/occupied where an owner is 62 years of age or older; the other does not. In order for this funding source, known as a special tax, to go into effect it must approved by a two-thirds majority vote of the registered voters.

At the Public Hearing, scheduled for February 23, 2011, testimony considering CFD No. 2011-1 will be heard and protests will be considered from voters residing within CFD No. 2011-1 and persons owning real property within CFD No. 2011-1. If 50% or more of the registered voters in the city of Wildomar or ½ or more of the land area owners within CFD No. 2011-1 file written protests against the establishment of the CFD, no further proceedings can be taken on this proposal for a mandated period of one year or as further extended by Council.

If there is not a majority protest, the Riverside County Registrar of Voters will provide election materials and ballots to each registered voter within CFD No. 2011-1 for the election to be held on June 7, 2011. At that time the Riverside County elections department will tabulate the ballots and post the results no more than 10 days after.

If the ballot measure receives a two-thirds majority in favor of levying the special tax then the City would be able to levy the special tax for CFD No. 2011-1 for Fiscal Year 2011-12.

FISCAL IMPACT:

The recommended actions could provide for a process leading to a dedicated and sustainable funding source for City parks.

Submitted and Approved by:

Frank Oviedo
City Manager

ATTACHMENTS:

- A. Resolution No. 2011 - _____; Intent to form CFD 2011-1, Wildomar Parks and Exempt Sr. Citizens

- B Resolution No. 2011 - _____; Intent to Incur Indebtness for CFD Facilities

- C Resolution No. 2011 - _____ ; Intent to form CFD 2011-1, Wildomar Parks.

Attachment

"A"

RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR

RESOLUTION NO. 2011 - _____

A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR

WHEREAS, the City Council (the "Council") of the City of Wildomar (the "City") intends to institute proceedings to establish a community facilities district pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), commencing with Section 53311 of the California Government Code (the "Government Code"), and to authorize the levy of special taxes (the "Special Taxes"), consisting of "Special Tax A" and "Special Tax B" (as such terms are defined in Exhibit "C" attached hereto) within Community Facilities District No. 2011-1; and

WHEREAS, the Council desires to adopt this resolution of intention as provided in Section 53321 of the Act to establish a community facilities district consisting of the territory described in Exhibit "A" attached hereto and incorporated herein by this reference, which community facilities district shall be known as "Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar" ("Community Facilities District No. 2011-1" or "District") pursuant to the Act to finance (1) the cost of providing proposed services (the "Services") to Community Facilities District No. 2011-1, which Services are described in Exhibit "B" hereto and incorporated herein by this reference, and (2) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property described in Exhibit "B", including all furnishings, equipment and supplies related thereto (collectively, the "Facilities"), which proposed Facilities have a useful life of five years or longer; and

WHEREAS, it is the further intention of the Council to consider financing the Facilities and incidental expenses relating thereto through the formation of Community Facilities District No. 2011-1 and the sale of bonded indebtedness in an amount not to exceed \$5,000,000 within Community Facilities District No. 2011-1 and the levy of Special Tax B therein to pay for the Facilities and such incidental expenses relating thereto and to pay debt service on the bonded indebtedness incurred by Community Facilities District No. 2011-1, provided that the bond sales and Special Tax B levies are approved at an election to be held within Community Facilities District No. 2011-1.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILDOMAR DOES

HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

The above recitals are true and correct.

The Council hereby declares that it proposes and intends to establish a community facilities district pursuant to the provisions of the Act, in the manner described below.

The proposed boundaries of the community facilities district shall be as described on the boundary map (the "Boundary Map") set forth in Exhibit "A" hereto, which boundaries shall, upon recordation of the Boundary Map for Community Facilities District No. 2011-1, include the entirety of any parcel subject to taxation by Community Facilities District No. 2011-1. The proposed boundaries of Community Facilities District No. 2011-1 are depicted on the Boundary Map of the proposed Community Facilities District No. 2011-1 which is on file in the office of the City Clerk entitled "Proposed Boundary Map, Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar, County of Riverside, State of California" which Boundary Map indicates by a boundary line the extent of the territory included in the proposed community facilities district and shall govern for all details as to the extent of Community Facilities District No. 2011-1. On the original and one copy of the Boundary Map of such Community Facilities District No. 2011-1 on file in the City Clerk's office, the City Clerk shall endorse the certificate evidencing the date and adoption of this Resolution. The City Clerk shall file the original of such Boundary Map in the office of the City Clerk, and, within fifteen (15) days after the adoption of this Resolution, the City Clerk shall file a copy of such Boundary Map so endorsed in the records of the County Recorder, County of Riverside, State of California and cause the Recorder certificate on such Boundary Map to be completed and executed by a representative of the Recorder's staff.

The name of the proposed community facilities district shall be "Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar".

The Services and Facilities proposed to be provided and financed by Community Facilities District No. 2011-1 are described on Exhibit "B" attached hereto. The cost of providing the Services and Facilities includes "incidental expenses," which include expenses to be incurred in connection with the determination of the amount of the levy of Special Tax A and Special Tax B, the collection of Special Tax A and Special Tax B including the expenses of collecting delinquencies, the issuance and administration of Special Tax B bonds, the payment of salaries and benefits of any City employee whose duties are directly related to the administration of the District, and costs otherwise incurred in order to carry out the authorized purposes of the District. The Council hereby finds and determines that the description of the Services and Facilities herein is sufficiently informative to allow taxpayers within the proposed District to understand what the funds may be used to finance. The Council hereby finds that the proposed Facilities are necessary to meet increased demands placed upon the City as a result of development occurring in Community Facilities District No. 2011-1. The Facilities may be acquired from one or more of the property owners as completed public improvements or may be constructed from bond or special tax proceeds. All or a portion of the Facilities may be purchased with District funds as completed public facilities pursuant to Section 53314.9 of

the Act. Any portion of the Facilities may be financed through a lease or lease-purchase arrangement if Community Facilities District No. 2011-1 hereafter determines that such arrangement is of benefit to Community Facilities District No. 2011-1.

Except where funds are otherwise available, the special taxes, secured by recordation of a continuing lien against all nonexempt real property in Community Facilities District No. 2011-1, will be levied annually within Community Facilities District No. 2011-1 sufficient to pay for the Services and Facilities (including incidental expenses). The proposed rate and method of apportionment and manner of collection of the special taxes within Community Facilities District No. 2011-1 (the "Rate and Method") is described in detail in Exhibit "C" attached hereto and incorporated herein by this reference. The Rate and Method allows each landowner within Community Facilities District No. 2011-1 to estimate the maximum amount that may be levied against each parcel. In the first year in which such special taxes are levied, the levy shall include an amount sufficient to repay Community Facilities District No. 2011-1 all amounts, if any, transferred to Community Facilities District No. 2011-1 pursuant to Section 53314 of the Act and interest thereon.

If Special Tax B for Facilities of Community Facilities District No. 2011-1 is levied against any taxable parcel, (i) the maximum special tax rate applicable thereto shall be increased by an amount equal to 2% per year as provided in the Rate and Method; (ii) such Special Tax B shall not be levied or collected after Fiscal Year 2045-46, except that any such Special Tax B that was lawfully levied in or before Fiscal Year 2045-46 and that remains delinquent may be collected in subsequent years, as further described in the Rate and Method; and (iii) under no circumstances will the Special Tax B levied in any Fiscal Year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within Community Facilities District No. 2011-1 by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults..

A public hearing (the "Hearing") on the establishment of Community Facilities District No. 2011-1, the proposed Rate and Method, and the proposed issuance of bonds by Community Facilities District No. 2011-1 to finance the Facilities (including incidental expenses related thereto) shall be held on February 23, 2011, at 6:30 o'clock p.m., or as soon thereafter as practicable, at the chambers of the City Council of the City of Wildomar, 23873 Clinton Keith Road, Wildomar, California 92595. Should the Council determine to form Community Facilities District No. 2011-1, a special election will be held within Community Facilities District No. 2011-1 to authorize the issuance of bonds and the levy of the special taxes in accordance with the procedures contained in Government Code Section 53326. If held, the proposed voting procedure at the election will be a vote of the registered voters within Community Facilities District No. 2011-1 at a general election to be held on June 7, 2011.

At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within the proposed District, may appear and be heard.

Each City officer who is or will be responsible for providing one or more of the proposed types of public services or facilities to be financed by Community Facilities District No. 2011-1, if it is established, is hereby directed to study the proposed community facilities district and, at or before the time of the above-mentioned Hearing, file a report (the "Report") with the City Council, which is to be made a part of the record of the Hearing, containing a brief description of the public services and facilities by type that will in his or her opinion be required to adequately meet the needs of Community Facilities District No. 2011-1 and an estimate of the cost of providing those public services and facilities, including an estimate of the fair and reasonable cost of any incidental expenses to be incurred.

The City may accept advances of funds or work-in-kind from any sources, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in creating Community Facilities District No. 2011-1. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Council, with or without interest.

The City Clerk is hereby directed to publish, or cause to be published, a notice of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of Community Facilities District No. 2011-1. Such notice shall contain the information prescribed by Section 53322 of the Act. Such publication shall be completed at least 7 days prior to the date of the Hearing.

Except to the extent limited in any bond resolution or trust indenture related to the issuance of bonds, the Council hereby reserves to itself all rights and powers set forth in Section 53344.1 of the Act (relating to tenders in full or partial payment).

PASSED, APPROVED AND ADOPTED this 25th day of January, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

Debbie A. Lee, CMC
City Clerk

EXHIBIT "A"

COMMUNITY FACILITIES DISTRICT NO. 2011-1 BOUNDARY

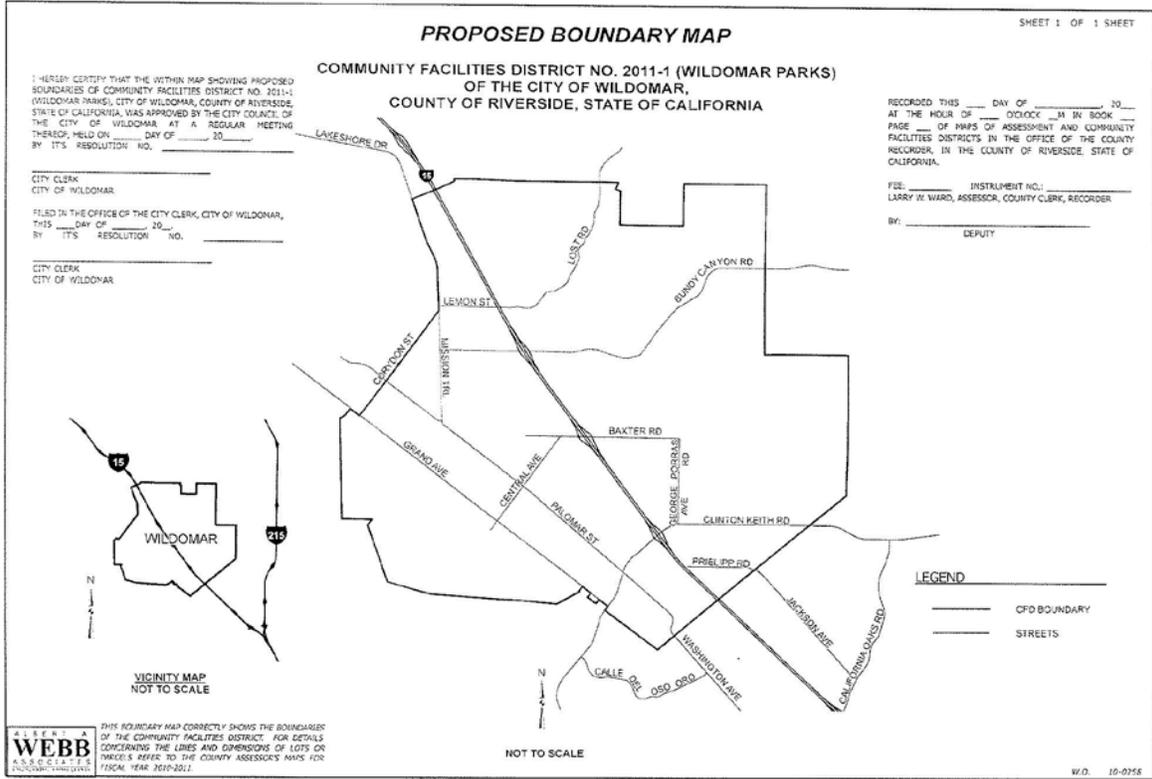


EXHIBIT "B"

TYPES OF SERVICES AND FACILITIES TO BE FINANCED BY

COMMUNITY FACILITIES DISTRICT NO. 2011-1

A. The services which may be funded with proceeds of Special Tax A of Community Facilities District No. 2011-1 are as follows:

(1) Within the boundaries of parks within the City of Wildomar: (1) maintenance and repair of parks, including without limitation, (a) maintenance and repair of playground or recreation program equipment or facilities; (b) maintenance and repair of parkways, streets, roads and open space; (c) maintenance and repair of lighting, including furnishing of electrical power to lights and repair and replacement of damaged or inoperative light bulbs, fixtures and standards; (d) maintenance and repair of irrigation facilities and replacement of landscaping and vegetation; (e) maintenance and repair of public signage; (f) graffiti removal.

(2) Recreational programs and services.

In addition to payment of the cost and expense of the forgoing services, proceeds of the special tax may be expended to pay "Administrative Expenses," as said term is defined in Exhibit C to this resolution of intention.

B. The facilities which may be funded with proceeds of Special Tax B of Community Facilities District No. 2011-1 are as follows:

(1) Facilities

The types of facilities to be financed by the Community Facilities District are park facilities and land, rights-of-way and easements necessary for any of such facilities and any and all appurtenant facilities and appurtenant work relating to the foregoing;

(2) Facilities to be purchased

The types of facilities to be purchased as completed facilities are park facilities and land, rights-of-way and easements necessary for any of such facilities and any and all appurtenant facilities and appurtenant work relating to the foregoing;

(3) Incidental expenses

The incidental expenses proposed to be incurred include the following:

(a) the cost of planning, designing, construction inspection, construction

management, and environmental expenses associated with the public facilities to be financed, including the cost of environmental evaluations of those facilities, legal services, materials testing, coordination, surveying, and any and all work relating to the foregoing;

- (b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

This description of the facilities is general in nature. The final nature and location of facilities will be determined upon the preparation of final plans and specifications. The final plans and specifications may show substitutes in lieu of, or modifications to, proposed work. Any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in the Report.

EXHIBIT C

RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR **COMMUNITY FACILITIES DISTRICT NO. 2011-1** **(WILDOMAR PARKS)** **OF THE CITY OF WILDOMAR**

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Tax A and Special Tax B (defined below) which shall be levied on and collected from each Assessor's Parcel (defined below) in Community Facilities District No. 2011-1 (Wildomar Parks), in each Fiscal Year, (defined below), commencing in the Fiscal Year beginning July 1, 2011, in an amount determined by the City Council of the City of Wildomar, acting ex officio as the legislative body of CFD No. 2011-1, by applying the rates and method of apportionment set forth below. All of the real property in CFD No. 2011-1, unless exempted by law or by the provisions herein, shall be taxed for the purposes, to the extent and in the manner provided herein.

A. DEFINITIONS

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

“Acre or Acreage” means the land area of an Assessor's Parcel as shown on any Assessor's Parcel Map, or if the land area is not shown on the Assessor's Parcel Map, the land area as shown on the applicable Final Map, or if the area is not shown on the applicable Final Map, the land area shall be calculated by the Administrator.

“Administrative Expenses” means any ordinary and necessary expenses allocable to the Special Tax A Requirement and to the Special Tax B Requirement which are incurred by the City on behalf of CFD No. 2011-1 related to the determination of the amount of the levy of Special Tax A and Special Tax B, the collection of Special Tax A and Special Tax B including the expenses of collecting delinquencies, the administration of Special Tax B bonds, the payment of salaries and benefits of any City employee whose duties are directly related to the administration of CFD No. 2011-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2011-1.

“Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax A Requirement and Special Tax B Requirement and providing for the levy and collection of the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

“Approved Property” means, in any Fiscal Year, all Assessor’s Parcels of Taxable Property within CFD No. 2011-1 for which a Final Map was recorded prior to January 1 of any Fiscal Year, which are not yet Developed Property.

“Assessor’s Parcel” means a lot or parcel of land that is identifiable by an Assessor’s Parcel Number by the County Assessor of the County of Riverside.

“Assessor’s Parcel Map” means an official map of the Assessor of the County designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means that identification number assigned to a parcel by the County Assessor of the County.

“Assigned Special Tax A” means the Special Tax A of that name described in Section C below.

“Benefit Unit” (“BU”) means a Single Family lot or dwelling unit or the equivalent. Single Family Property is assigned benefit units based on the number of Residential Units per Assessor’s Parcel with the basis being one (1) benefit unit per Residential Unit. Multi-Family Property is assigned one (1) benefit unit per Residential Unit. Non-Residential Property is assigned benefit units based on acreage with the basis being two (2) benefit units per Acre. Undeveloped is assigned units of benefit based upon acreage with the basis being one (1) benefit unit per Assessor’s Parcel.

“CFD” or **“CFD No. 2011-1”** means the City of Wildomar Community Facilities District No. 2011-1 (Wildomar Parks).

“City” means the City of Wildomar.

“City Council” or **“Council”** means the City Council of the City of Wildomar, acting as the legislative body of CFD No. 2011-1.

“County” means the County of Riverside

“Developed Property” means all Assessor’s Parcels of Taxable Property within CFD No. 2011-1 that: (i) are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied, and (ii) a building permit was issued on or before March 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Exempt Property” means all Assessors’ Parcels within CFD No. 2011-1 designated as being exempt from the Special Tax as provided for in Section F.

“Facilities” means parks and park improvements and any other improvements or facilities designated by the City, with an estimated useful life of five (5) years or longer, which are eligible for financing under the Act.

“Final Map” 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 for which building permits for residential or non-residential structures may be issued without further subdivision.

“Fiscal Year” means the period from and including July 1st of any year to and including the following June 30th.

“Land Use Category” means, individually, Single Family Property, Multi-Family Property, Non-Residential Property, or Undeveloped Property.

“Lot” means an individual legal lot created by a Final Map for which a building permit could be issued.

“Maximum Special Tax” means Maximum Special Tax A and/or Maximum Special Tax B as defined herein.

“Maximum Special Tax A” means the maximum amount of Special Tax, determined pursuant to Section C, that can be levied by the City Council in any Fiscal Year on an Assessor’s Parcel of Taxable Property to satisfy the Special Tax A Requirement. The Maximum Special Tax A shall be increased annually by the percentage increase in the Consumer Price Index (All Items) for Los Angeles – Riverside – Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, on March 1, 2011 for Fiscal Year 2011-12 and on each subsequent March 1 for the Fiscal Year then commencing.

“Maximum Special Tax B” means the maximum amount of Special Tax, determined pursuant to Section C, that can be levied by the City Council in any Fiscal Year on an Assessor’s Parcel of Taxable Property to satisfy the Special Tax B Requirement. On July 1st of each Fiscal Year commencing July 1st of 2012, the

Maximum Special Tax B shall be increased annually by two percent (2.00%) of the Maximum Special Tax B in effect for said Assessor's Parcel for the prior Fiscal Year.

"Multi-Family Property" means, in any Fiscal Year, any Assessor's Parcel of Approved Property within the boundaries of CFD No. 2011-1 for which a building permit may be issued for purposes of constructing a residential structure consisting of two or more Residential Units that share common walls or any Assessor's Parcel of Developed Property for which a building permit has been issued for purposes of constructing a residential structure consisting of two or more Residential Units that share common walls. Such Residential Units include but are not limited to duplexes, triplexes, townhomes, condominiums, and apartment units.

"Non-Residential Property" means all Assessor's Parcels of Developed Property within the boundaries of the CFD that are not Single Family Property, Multi-Family Property, Undeveloped Property, or Exempt Property.

"Prepayment Amount" means the amount required to prepay the Special Tax B obligation in full for an Assessor's Parcel, as described in Section G.

"Proportionately" means, for: (i) Single Family Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax A or Maximum Special Tax per Benefit Unit, as applicable, is the same for all such Assessor's Parcels of Single Family Property, (ii) Multi-Family Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax A or Maximum Special Tax per Benefit Unit, as applicable, is the same for all such Assessor's Parcels of Multi-Family Property, (iii) Non-Residential Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax A or Maximum Special Tax per Benefit Unit is the same for all such Assessor's Parcels of Non-Residential Property, and (iv) Undeveloped Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax A or Maximum Special Tax per Benefit Unit as applicable, is the same for all such Assessor's Parcels of Undeveloped Property

"Residential Property" means all Assessor's Parcels of Approved or Developed Property within the boundaries of CFD No. 2011-1 for which a building permit has been or will be issued for purposes of constructing or placing one or more residential dwelling units or upon which a residential dwelling unit has been constructed.

"Residential Unit" means, for each Fiscal Year, a building or portion thereof on an Assessor's Parcel intended for use by one (1) family and containing but one (1)

kitchen, which is designed primarily for residential occupancy including single family and multifamily dwellings. Residential Unit shall not include hotels or motels which shall be classified as Non-Residential Property.

“Service(s)” means those services authorized to be funded by CFD No. 2011-1 as set forth in the documents adopted by the City Council when the CFD was formed.

“Single Family Property” means, for any Fiscal Year, all Assessor’s Parcels of Developed Property within the boundaries of CFD No. 2011-1 for which a building permit has been issued for purposes of constructing a detached Residential Unit, or all Assessor’s Parcels of Approved Property within the boundaries of CFD No. 2011-1 for which a building permit may be issued for construction of a detached Residential Unit. Such Residential Unit does not or will not share a common wall with another Residential Unit.

“Special Tax(es)” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property for Special Tax A and/or Special Tax B.

“Special Tax A” means the Special Tax A actually levied in any Fiscal Year on any Assessor’s Parcel.

“Special Tax B” means the Special Tax B actually levied in any Fiscal Year on any Assessor’s Parcel.

“Special Tax A Requirement” means the amount, after taking into consideration available funds, required in any Fiscal Year to pay: (1) costs related to the Services authorized by the City to be funded and (2) Administrative Expenses attributable to said Services, as determined by the City.

“Special Tax B Requirement” means the amount required in any Fiscal Year after taking into consideration available funds pursuant to the bond indenture: (1) to pay principal of and interest on all Outstanding Bonds of CFD No. 2011-1, (2) to pay Administrative Expenses attributable to such bonds and the levy and collection of the Special Taxes, (3) to pay costs of credit enhancement for such bonds and any amount required to be rebated to the United States with respect to such bonds, (4) to replenish the reserve fund for such bonds, and (5) to provide any amounts which the City Council determines are necessary to pay the costs of the provision, construction and acquisition of the Facilities and/or accumulate funds therefore prior to bond sale.

"Taxable Property" means all Assessor's Parcels within CFD No. 2011-1, which are not Exempt Property.

"Undeveloped Property" means, for each Fiscal Year, all Assessor's Parcels of Taxable Property within the boundaries of CFD No. 2011-1 that are not classified as Developed Property or Approved Property, as determined by the Administrator.

B. ASSIGNMENT TO LAND USE CATEGORY

On or about June 1 of each Fiscal Year the Administrator shall identify the current Assessor's Parcel Number assigned to all Assessor's Parcels of Taxable Property within CFD No. 2011-1.

The Administrator shall then determine: (i) whether each Assessor's Parcel of Taxable Property is Developed Property, Approved Property, or Undeveloped Property, using the definitions above; (ii) for Developed Property or Approved Property, which Assessor's Parcel are Single Family Property, Multi-Family Property, or Non-Residential Property, using the definitions above; (iii) for Developed Property and Approved Property that is Multi-Family Property, the number of Residential Units within each building based on reference to the building permit, site plan, condominium plan, or other development plan; and (iv) the Special Tax A Requirement and the Special Tax B Requirement. Developed Property, Approved Property and Undeveloped Property shall be subject to the Special Taxes pursuant to Sections C and D below.

C. SPECIAL TAX RATES

Developed, Approved, and Undeveloped Property

Upon determination that an Assessor's Parcel of Taxable Property is Approved Property, Developed Property, or Undeveloped Property the Special Tax rates shall be the amounts shown in Table 1 for Special Tax A and the amounts shown in Table 2 for Special Tax B according to the Land Use Category within CFD No. 2011-1.

TABLE 1
Special Tax A Rates
Community Facilities District No. 2011-1 (Wildomar Parks)

Land Use Category	Benefit Unit Assignment	Assigned Special Tax A Rate	Maximum Special Tax A Rate
Single Family Property	One (1) BU per Residential Unit	\$23 per BU	\$28 per BU
Multi Family Property	One (1) BU per Residential Unit	\$23 per BU	\$28 per BU
Non-Residential Property	Two (2) BU per Acre	\$23 per BU	\$28 per BU
Undeveloped Property	One (1) BU per Assessor's Parcel	\$23 per BU	\$28 per BU

TABLE 2
Maximum Special Tax B Rates
Community Facilities District No. 2011-1 (Wildomar Parks)

Land Use Category	Benefit Unit Assignment	Maximum Special Tax B Rate
Single Family Property	One (1) BU per Residential Unit	\$17 per BU
Multi Family Property	One (1) BU per Residential Unit	\$17 per BU
Non-Residential Property	Two (2) BU per Acre	\$17 per BU
Undeveloped Property	One (1) BU per Assessor's Parcel	\$17 per BU

Exempt Property

No Special Tax shall be levied on Exempt Property.

Annual Escalation of Special Taxes

For both Assigned Special Tax A and Maximum Special A Tax Rates, beginning March 1, 2012 and each March 1 thereafter, the Maximum Special Taxes that may be levied on each Assessor's Parcel shall be the Maximum Special Taxes for the

previous Fiscal Year increased by the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year.

For Maximum Special B Tax Rates, beginning July 1, 2012 and each March 1st thereafter, the Maximum Special Taxes that may be levied on each Assessor's Parcel shall be the Maximum Special Taxes for the previous Fiscal Year increased by two percent (2.00%) of the Maximum Special Tax B in effect for said Assessor's Parcel for the prior Fiscal Year.

D. METHOD OF APPORTIONMENT OF ANNUAL SPECIAL TAX

Commencing with the Fiscal Year in which the City Council determines that the levy of the Special Taxes shall commence and for each subsequent Fiscal Year, the Council shall determine the total amount of Special Taxes to be levied and collected in that Fiscal Year in order to satisfy the Special Tax A Requirement and the Special Tax B Requirement for such Fiscal Year. The Council shall levy the Special Taxes on all Assessor's Parcels of Taxable Property in the following priority until it has levied the amount necessary to satisfy both the Special Tax A Requirement and the Special Tax B Requirement for the Fiscal Year as follows:

(a) Special Tax A Requirement.

(1) First: The Special Tax shall be levied on all Assessor's Parcels of Taxable Property that are Approved Property, Developed Property and Undeveloped Property in equal percentages up to 100% of Assigned Special Tax A Rate set forth in Table 1; and

(2) Second: If additional funds are needed, the Special Tax A shall be levied on all Assessor's Parcels of Approved, Developed and Undeveloped Property in equal percentages up to 100% of the Maximum Special Tax A set forth in Table 1.

(b) Special Tax B Requirement.

(1) First: The Special Tax shall be levied on all Assessor's Parcels of Taxable Property that are Developed Property in equal percentages up to 100% of the applicable Maximum Special Tax B as set forth in Table 2; and

(2) Second: If additional funds are needed, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property that are Approved Property in equal percentages up to 100% of the Maximum Special Tax B for Approved Property; and

(3) Third: If additional funds are needed, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property that are Undeveloped Property in equal

percentages up to 100% of the Maximum Special Tax B for Undeveloped Property.

Notwithstanding the above, under no circumstances shall the Special Tax levied in any fiscal year against any Assessor's Parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other Assessor's Parcel or Assessor's Parcels within the CFD by more than ten percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

E. INTERPRETATIONS OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. The City may make interpretations by ordinance or resolution for the purposes of clarifying any vagueness or ambiguity in the Rate and Method of Apportionment of Special Tax.

F. EXEMPTIONS

The City shall classify as Exempt Property within CFD No. 2011-1, any Assessor's Parcel in any of the following categories; (i) Assessor's Parcels which are owned by, irrevocably offered for dedication to, encumbered by or restricted in use by any public entity; (ii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; (iii) Assessor's Parcels which are privately owned but are encumbered by or restricted solely for public uses; (iv) any Assessor's Parcel which is in use in the performance of a public function as determined by the Administrator; or (v) Assessor's Parcel used as a place of worship or for other religious activities as determined by the Administrator.

Senior Citizen Exemptions from Special Tax

A property owner may apply for a senior citizen exemption from the Special Tax which would provide a one-hundred percent (100%) exemption from the Special Tax on dwelling units occupied by senior citizens. The property owner must meet certain qualifications and complete an application similar to "Exhibit D" attached hereto. Applications for the initial fiscal year exemption must be completed by July 1, 2011 with applications for all subsequent fiscal years being filed by March 1 of such fiscal year. The City reserves the right to make minor changes to the application or

qualifications for exemption as the need arises which would require City Council approval.

G. PREPAYMENT OF SPECIAL TAX B

The following definition applies to this Section G:

“Outstanding Bonds” means all previously issued bonds issued and secured by the levy of Special Tax B 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 Tax B.

Prepayment

The Special Tax B obligation of an Assessor's Parcel of Approved Property, an Assessor's Parcel of Developed Property, and an Assessor's Parcel of Undeveloped Property may be prepaid in full, provided that there are no delinquent Special Tax B taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax B 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 B 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. 2011-1 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):

plus Payoff Amount
 Administrative Fee

equals Prepayment Amount

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

1. For an Assessor's Parcel of Developed Property and Approved Property, compute the Maximum Special Tax B applicable to the Assessor's Parcel. For an Assessor's Parcel of Undeveloped Property compute the Maximum Special Tax B as though it was already designated as Developed Property based upon the building permit issued or expected to be issued for that Assessor's Parcel.

For each Assessor's Parcel of Approved Property, Developed Property, or Undeveloped Property compute the present value of the remaining Maximum Special Tax B payments using a discount rate that is equal to the weighted average interest rate on the Outstanding Bonds and the remaining term of the Outstanding Bonds determined by a financial advisor selected by the City. For any prepayment that occurs prior to the issuance of Bonds, the discount rate used in this calculation shall be 6.5% and the term shall be the period in which the Special Tax B may be levied as provided in Section J less ten years. This is the "Payoff Amount."

2. For each Assessor's Parcel of Approved Property, Developed Property, or Undeveloped Property, divide the Maximum Special Tax B computed pursuant to the first paragraph in paragraph 1 of this Section G for such Assessor's Parcel by the sum of the estimated Maximum Special Tax B applicable to all Assessor's Parcels of Taxable Property at build out, as reasonably determined by the City.

3. Multiply the quotient computed pursuant to paragraph 2 by the 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 amount needed to pay interest on the Bond Redemption Amount to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the Outstanding Bonds.

6. Determine the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium in State and Local Government Series Treasury Obligations until the earliest call date for the Outstanding Bonds.

7. Subtract the amount computed pursuant to paragraph 6 from the amount computed pursuant to paragraph 5. This difference is the "Defeasance Cost."

8. 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."

9. 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 zero.

10. The "Amount to Call Bonds" is equal to the sum of the Bond Redemption Amount, the Redemption Premium, and the Defeasance Cost, less the Reserve Fund Credit (the Amount to Call Bonds will be transferred to the debt service fund and used to defease or call bonds).

11. The Prepayment Amount is the sum of the Amount to Call Bonds and the Administrative Fee.

12. From the Prepayment Amount, the Amount to Call Bonds will be transferred to the debt service fund and used to defease or call bonds pursuant to the bond fiscal agent agreement or escrow agreement; the Administrative Fee will be transferred to the administrative fund or functionally equivalent fund or account pursuant to the fiscal agent agreement and used to pay administrative expenses; the remainder will be transferred to the Surplus Taxes Fund or functionally equivalent fund or account pursuant to the Fiscal agent agreement.

With respect to the Special Tax B obligation that is prepaid pursuant to this Section G, the City Council shall indicate in the records of CFD No. 2011-1 that there has been a prepayment of the Special Tax B 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 B obligation and the release of the Special Tax B lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax B shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the total amount of Special Tax B that may be levied on Taxable Property after such full 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 as determined by the Administrator or, at the option of the Administrator, a financial advisor or special tax consultant.

H. 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 not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2011-1 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, but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

I. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ad valorem property taxes 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; provided, however, that the City may collect Special Taxes at a different time or in a different manner, if necessary, to meet the financial obligations of CFD No. 2011-1.

J. TERM OF SPECIAL TAX

All Assessors' Parcels of Taxable Property shall continue to be subject to the levy and collection of the Special Tax A to satisfy the Special Tax A Requirement as long as the City provides the Services within and for the benefit of the residents within CFD No. 2011-1.

Pursuant to Section 53321(d) of the Government Code of the State of California, the tax year after which no further Special Tax B shall be levied or collected with respect

to any Assessor's Parcel within CFD No. 2011-1 to satisfy the Special Tax B Requirement shall be Fiscal Year 2045-46.



Exhibit D

COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) SENIOR CITIZEN CFD NO. 2011-1 TAX EXEMPTION APPLICATION

Applications must be filed annually between May 1 and June 1. In accordance with the provisions of the resolution adopting and imposing this CFD No. 2011-1 Tax, failure to file between May 1 and June 1 will automatically invalidate the CFD No. 2011-1 Tax exemption for that tax year. No exceptions can be granted to the closing date.

This application is for a senior citizen tax exemption with respect to the special tax (the "CFD No. 2011-1 Tax") imposed on the Community Facilities District No. 2011-1 (Wildomar Parks) by the City Council of the City of Wildomar (the "City") pursuant to Resolution No. _____. The application is made with respect to:

Assessor's Parcel No: _____

Property Address: _____
(hereinafter referred to as the dwelling unit).

The property owner or the property authorized legal representative must provide the following information:

1. Name of property owner(s) and eligible spouse, if any, and date of birth (please type or print):

Name: _____ Date of Birth: _____

(MO/DAY/YR)

Name: _____ Date of Birth: _____

(MO/DAY/YR)

Eligible Spouse

Name: _____ Date of Birth: _____

(MO/DAY/YR)

2. The property owner and/or eligible spouse must submit with this application a copy of a birth certificate, driver's license, or other official document showing date of birth. To be eligible for the reduction in the CFD No. 2011-1 Tax, the property owner or eligible spouse must be at least 62 years of age by July 1, 2011.
3. The property owner must also provide evidence of ownership of the dwelling unit. Such evidence may consist of a copy of the county tax bill for the property, a copy of a title report or title policy issued in the last year, a copy of a recorded deed, or other official document acceptable to the City. If the property owner is claiming the reduction in CFD No. 2011-1 Tax through a spouse who is not an owner of the property, the property owner and spouse hereto certify that the dwelling unit is their primary residence.
4. Each property owner certifies that he/she understands that: (a) the application is for a reduction in the CFD No. 2011-1 Tax of one hundred percent (100%); and (b) for the reduction to continue beyond one year, the City will review the updated property records and will verify that no changes of ownership or residency have occurred at the property. If the property ownership and residency are the same as in the previous fiscal year, the property owner will continue to receive the exemption from the tax.
5. Each property owner certifies that the dwelling unit is the primary residence of the property owner.
6. I/we certify that this is the only application reduction in the Tax that I/we have filed for the 2011/2012 CFD No. 2011-1 Tax year.
7. If there is more than one property owner, each such owner must sign this application. If the exemption is being claimed through a spouse who is not a property owner, the spouse must sign this application.
8. This application may be executed in several counterparts, each of which shall be an original and all of which shall constitute both one and the same application.

I/we declare under penalty of perjury, under the laws of the State of California, that the foregoing and the documentary evidence submitted herewith are true and correct.

Executed at _____, California, on _____, 2011.

By: (signature) _____ as property owner.

Print Name: _____

By: (signature) _____ as property owner.
_Print Name: _____

By: (signature) _____ as property owner.
Print Name: _____

If signing in a representative capacity on behalf of the property owner or spouse, a copy of the document authorizing you to sign in representative capacity must be submitted herewith.

The City will not be responsible for returning the original or copies of documents submitted with this application. Copies must be legible. Failure to provide all the required information and documentation by June 1, 2011 will constitute cause for denying the tax exemption.

If you have any questions about this form: Please contact City of Wildomar, 23873 Clinton Keith Rd., Suite 201, Wildomar, CA 92595. Telephone: (951) 677-7751, ext. ____.

Attachment

"B"

**RESOLUTION OF INTENTION OF THE CITY COUNCIL OF
THE CITY OF WILDOMAR TO INCUR BONDED
INDEBTEDNESS IN THE AMOUNT OF NOT TO EXCEED
\$5,000,000 WITHIN PROPOSED COMMUNITY FACILITIES
DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY
OF WILDOMAR**

RESOLUTION NO. 2011 - _____

**A RESOLUTION OF INTENTION OF THE CITY COUNCIL
OF THE CITY OF WILDOMAR, CALIFORNIA TO INCUR
BONDED INDEBTEDNESS IN THE AMOUNT OF NOT TO
EXCEED \$5,000,000 WITHIN PROPOSED COMMUNITY
FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS)
OF THE CITY OF WILDOMAR**

WHEREAS, the City Council (the “**Council**”) of the City of Wildomar (the “**City**”) intends to institute proceedings to establish Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar (the “**District**”) pursuant to the Mello-Roos Community Facilities Act of 1982, commencing with Section 53311 of the California Government Code, as amended (the “**Act**”), pursuant to a resolution adopted by the Council on the date hereof to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property described in Exhibit “A”, including all furnishings, equipment and supplies related thereto (collectively, the “**Facilities**”); and (2) the incidental expenses to be incurred in financing the Facilities and forming and administering the District (the “**Incidental Expenses**”); and

WHEREAS, in order to finance the Facilities and Incidental Expenses, the Council intends to authorize the issuance of bonds for the proposed District in the maximum aggregate amount of \$5,000,000; and

WHEREAS, the repayment of the bonds of the District is to be secured by special taxes levied in the District in accordance with the provisions of the Act, other than those properties exempted from taxation in the rate and method of apportionment for the District set forth in Exhibit “C” to the Council’s “Resolution of Intention to Establish Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar and to Authorize the Levy of Special Taxes within Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar”, adopted on the date hereof (the “**Resolution of Intention to Establish CFD 2011-1**”).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILDOMAR DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. It is necessary to incur bonded indebtedness within the proposed boundaries of proposed Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar in an amount not to exceed \$5,000,000, to finance the costs of the Facilities and Incidental Expenses, as permitted by the Act.

Section 3. The bonds for the District will be issued for the purpose of financing the costs of the Facilities and the Incidental Expenses, including, but not limited to, the funding of reserve funds for the bonds, the financing of costs associated with the issuance of the bonds and all other costs and expenses necessary to finance the Facilities which are permitted to be financed pursuant to the Act.

Section 4. It is the intent of the Council to authorize the sale of bonds for the District in one or more series, in the maximum aggregate principal amount of not to exceed \$5,000,000 and at a maximum interest rate not in excess of 12 percent per annum or such rate not in excess of the maximum rate permitted by law at the time the bonds are issued. The term of the bonds of each series shall be determined pursuant to a resolution of the Council acting in its capacity as the legislative body of the District authorizing the issuance of the bonds of such series, but such term shall in no event exceed 40 years or such longer term as is then permitted by law.

Section 5. A public hearing (the “**Hearing**”) on the proposed debt issue shall be held February 23, 2011, at 6:30 o’clock p.m., or as soon thereafter as practicable, at the chambers of the City Council of the City of Wildomar, 23873 Clinton Keith Road, Wildomar, California 92595.

Section 6. At the Hearing at the time and place set forth above, any interested persons, including all persons owning land or registered to vote within the proposed District, may appear and be heard at the Hearing.

Section 7. The City Clerk is hereby directed to publish, or cause to be published, a notice of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of Community Facilities District No. 2011-1. Such notice shall contain the information prescribed by Section 53346 of the Act. Such publication shall be completed at least 7 days prior to the date of the Hearing.

PASSED, APPROVED AND ADOPTED this 25th day of January, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

Debbie A. Lee, CMC
City Clerk

EXHIBIT "A"

TYPES OF FACILITIES TO BE FINANCED BY COMMUNITY FACILITIES DISTRICT NO. 2011-1

The facilities which may be funded with proceeds of Special Tax B of Community Facilities District No. 2011-1 are as follows:

(i) facilities

The types of facilities to be financed by the Community Facilities District are park facilities and land, rights-of-way and easements necessary for any of such facilities and any and all appurtenant facilities and appurtenant work relating to the foregoing;

(ii) facilities to be purchased

The types of facilities to be purchased as completed facilities are park facilities and land, rights-of-way and easements necessary for any of such facilities and any and all appurtenant facilities and appurtenant work relating to the foregoing;

(iii) incidental expenses

The incidental expenses proposed to be incurred include the following:

- (a) the cost of planning, designing, construction inspection, construction management, and environmental expenses associated with the public facilities to be financed, including the cost of environmental evaluations of those facilities, legal services, materials testing, coordination, surveying, and any and all work relating to the foregoing;
- (b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

This description of the facilities is general in nature. The final nature and location of facilities will be determined upon the preparation of final plans and specifications. The final plans and specifications may show substitutes in lieu of, or modifications to, proposed work. Any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in the Report defined and referred to in the Resolution of Intention to Establish CFD 2011-1.

Attachment

"C"

RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR AND TO AUTHORIZE THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR

RESOLUTION NO. 2011 - _____

**A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF
THE CITY OF WILDOMAR, CALIFORNIA, TO ESTABLISH
COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR
PARKS) OF THE CITY OF WILDOMAR AND TO AUTHORIZE
THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY
FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF
THE CITY OF WILDOMAR**

WHEREAS, the City Council (the “Council”) of the City of Wildomar (the “City”) intends to institute proceedings to establish a community facilities district pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”), commencing with Section 53311 of the California Government Code (the “Government Code”), and to authorize the levy of special taxes (the “Special Taxes”), consisting of “Special Tax A” and “Special Tax B” (as such terms are defined in Exhibit “C” attached hereto) within Community Facilities District No. 2011-1; and

WHEREAS, the Council desires to adopt this resolution of intention as provided in Section 53321 of the Act to establish a community facilities district consisting of the territory described in Exhibit “A” attached hereto and incorporated herein by this reference, which community facilities district shall be known as “Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar” (“Community Facilities District No. 2011-1” or “District”) pursuant to the Act to finance (1) the cost of providing proposed services (the “Services”) to Community Facilities District No. 2011-1, which Services are described in Exhibit “B” hereto and incorporated herein by this reference, and (2) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property described in Exhibit “B”, including all furnishings, equipment and supplies related thereto (collectively, the “Facilities”), which proposed Facilities have a useful life of five years or longer; and

WHEREAS, it is the further intention of the Council to consider financing the Facilities and incidental expenses relating thereto through the formation of Community Facilities District No. 2011-1 and the sale of bonded indebtedness in an amount not to exceed \$5,000,000 within Community Facilities District No. 2011-1 and the levy of Special Tax B therein to pay for the Facilities and such incidental expenses relating thereto and to pay debt service on the bonded indebtedness incurred by Community Facilities District No. 2011-1, provided that the bond sales and Special Tax B levies are approved at an election to be held within Community Facilities District No. 2011-1;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILDOMAR DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

The above recitals are true and correct.

The Council hereby declares that it proposes and intends to establish a community facilities district pursuant to the provisions of the Act, in the manner described below.

The proposed boundaries of the community facilities district shall be as described on the boundary map (the "Boundary Map") set forth in Exhibit "A" hereto, which boundaries shall, upon recordation of the Boundary Map for Community Facilities District No. 2011-1, include the entirety of any parcel subject to taxation by Community Facilities District No. 2011-1. The proposed boundaries of Community Facilities District No. 2011-1 are depicted on the Boundary Map of the proposed Community Facilities District No. 2011-1 which is on file in the office of the City Clerk entitled "Proposed Boundary Map, Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar, County of Riverside, State of California" which Boundary Map indicates by a boundary line the extent of the territory included in the proposed community facilities district and shall govern for all details as to the extent of Community Facilities District No. 2011-1. On the original and one copy of the Boundary Map of such Community Facilities District No. 2011-1 on file in the City Clerk's office, the City Clerk shall endorse the certificate evidencing the date and adoption of this Resolution. The City Clerk shall file the original of such Boundary Map in the office of the City Clerk, and, within fifteen (15) days after the adoption of this Resolution, the City Clerk shall file a copy of such Boundary Map so endorsed in the records of the County Recorder, County of Riverside, State of California and cause the Recorder certificate on such Boundary Map to be completed and executed by a representative of the Recorder's staff.

The name of the proposed community facilities district shall be "Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar".

The Services and Facilities proposed to be provided and financed by Community Facilities District No. 2011-1 are described on Exhibit "B" attached hereto. The cost of providing the Services and Facilities includes "incidental expenses," which include expenses to be incurred in connection with the determination of the amount of the levy of Special Tax A and Special Tax B, the collection of Special Tax A and Special Tax B including the expenses of collecting delinquencies, the issuance and administration of Special Tax B bonds, the payment of salaries and benefits of any City employee whose duties are directly related to the administration of the District, and costs otherwise incurred in order to carry out the authorized purposes of the District. The Council hereby finds and determines that the description of the Services and Facilities herein is sufficiently informative to allow taxpayers within the proposed District to understand what the funds may be used to finance. The Council hereby finds that the proposed Facilities are necessary to meet increased demands placed upon the City as a result of development occurring in Community Facilities District No. 2011-1. The Facilities may be acquired from one or more of the property owners as completed public improvements or may be constructed from bond or special tax proceeds. All or a portion of the Facilities may be purchased with District funds as completed public facilities pursuant to Section 53314.9 of the Act. Any portion of the Facilities may be financed through a lease or lease-purchase

arrangement if Community Facilities District No. 2011-1 hereafter determines that such arrangement is of benefit to Community Facilities District No. 2011-1.

Except where funds are otherwise available, the special taxes, secured by recordation of a continuing lien against all nonexempt real property in Community Facilities District No. 2011-1, will be levied annually within Community Facilities District No. 2011-1 sufficient to pay for the Services and Facilities (including incidental expenses). The proposed rate and method of apportionment and manner of collection of the special taxes within Community Facilities District No. 2011-1 (the "Rate and Method") is described in detail in Exhibit "C" attached hereto and incorporated herein by this reference. The Rate and Method allows each landowner within Community Facilities District No. 2011-1 to estimate the maximum amount that may be levied against each parcel. In the first year in which such special taxes are levied, the levy shall include an amount sufficient to repay Community Facilities District No. 2011-1 all amounts, if any, transferred to Community Facilities District No. 2011-1 pursuant to Section 53314 of the Act and interest thereon.

If Special Tax B for Facilities of Community Facilities District No. 2011-1 is levied against any taxable parcel, (i) the maximum special tax rate applicable thereto shall be increased by an amount equal to 2% per year as provided in the Rate and Method; (ii) such Special Tax B shall not be levied or collected after Fiscal Year 2045-46, except that any such Special Tax B that was lawfully levied in or before Fiscal Year 2045-46 and that remains delinquent may be collected in subsequent years, as further described in the Rate and Method; and (iii) under no circumstances will the Special Tax B levied in any Fiscal Year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within Community Facilities District No. 2011-1 by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults..

A public hearing (the "Hearing") on the establishment of Community Facilities District No. 2011-1, the proposed Rate and Method, and the proposed issuance of bonds by Community Facilities District No. 2011-1 to finance the Facilities (including incidental expenses related thereto) shall be held on February 23, 2011, at 6:30 o'clock p.m., or as soon thereafter as practicable, at the chambers of the City Council of the City of Wildomar, 23873 Clinton Keith Road, Wildomar, California 92595. Should the Council determine to form Community Facilities District No. 2011-1, a special election will be held within Community Facilities District No. 2011-1 to authorize the issuance of bonds and the levy of the special taxes in accordance with the procedures contained in Government Code Section 53326. If held, the proposed voting procedure at the election will be a vote of the registered voters within Community Facilities District No. 2011-1 at a general election to be held on June 7, 2011.

At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within the proposed District, may appear and be heard.

Each City officer who is or will be responsible for providing one or more of the proposed types of public services or facilities to be financed by Community Facilities District No. 2011-1, if it is established, is hereby directed to study the proposed community facilities district and, at or before the time of the above-mentioned Hearing, file a report (the "Report") with the City Council, which is to be made a part of the record of the Hearing, containing a brief description of the public services and facilities by type that will in his or her opinion be required to adequately meet the needs of Community Facilities District No. 2011-1 and an estimate of the cost of providing those public services and facilities, including an estimate of the fair and reasonable cost of any incidental expenses to be incurred.

The City may accept advances of funds or work-in-kind from any sources, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in creating Community Facilities District No. 2011-1. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Council, with or without interest.

The City Clerk is hereby directed to publish, or cause to be published, a notice of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of Community Facilities District No. 2011-1. Such notice shall contain the information prescribed by Section 53322 of the Act. Such publication shall be completed at least 7 days prior to the date of the Hearing.

Except to the extent limited in any bond resolution or trust indenture related to the issuance of bonds, the Council hereby reserves to itself all rights and powers set forth in Section 53344.1 of the Act (relating to tenders in full or partial payment).

PASSED, APPROVED AND ADOPTED this 25th day of January, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

Debbie A. Lee, CMC
City Clerk

EXHIBIT "A"

COMMUNITY FACILITIES DISTRICT NO. 2011-1 BOUNDARY

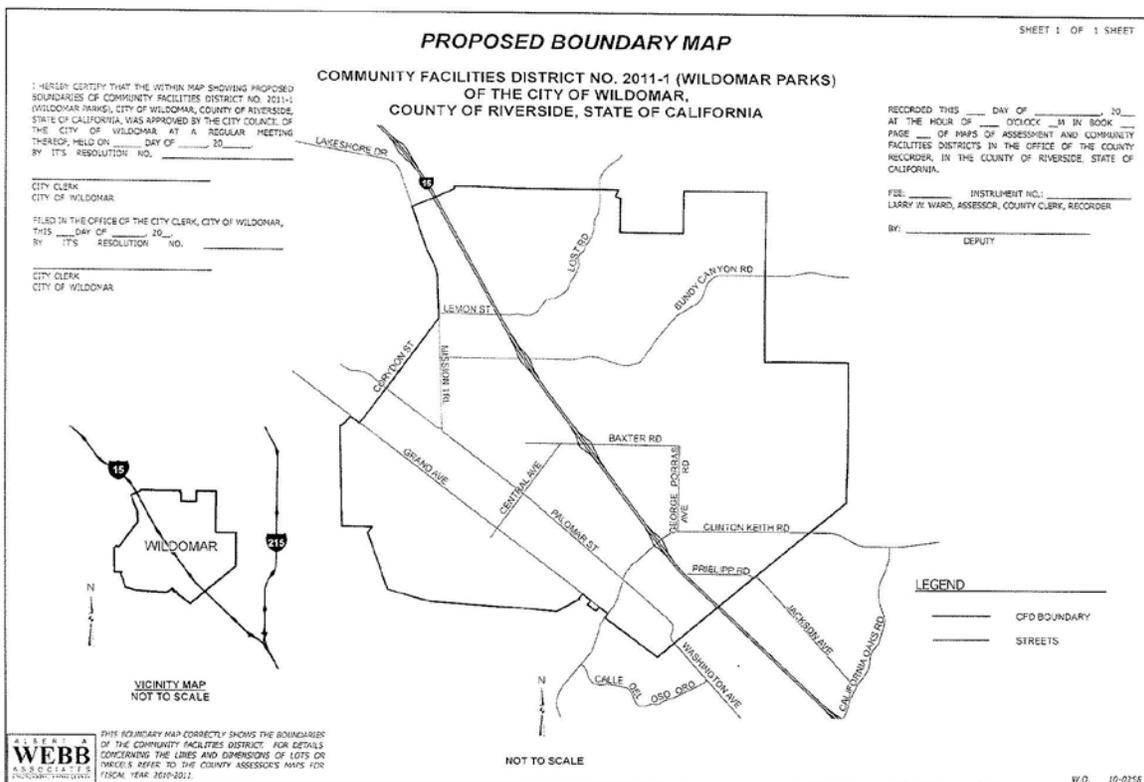


EXHIBIT "B"

TYPES OF SERVICES AND FACILITIES TO BE FINANCED BY

COMMUNITY FACILITIES DISTRICT NO. 2011-1

A. The services which may be funded with proceeds of Special Tax A of Community Facilities District No. 2011-1 are as follows:

(1) Within the boundaries of parks within the City of Wildomar: (1) maintenance and repair of parks, including without limitation, (a) maintenance and repair of playground or recreation program equipment or facilities; (b) maintenance and repair of parkways, streets, roads and open space; (c) maintenance and repair of lighting, including furnishing of electrical power to lights and repair and replacement of damaged or inoperative light bulbs, fixtures and standards; (d) maintenance and repair of irrigation facilities and replacement of landscaping and vegetation; (e) maintenance and repair of public signage; (f) graffiti removal.

(2) Recreational programs and services.

In addition to payment of the cost and expense of the forgoing services, proceeds of the special tax may be expended to pay "Administrative Expenses," as said term is defined in Exhibit C to this resolution of intention.

B. The facilities which may be funded with proceeds of Special Tax B of Community Facilities District No. 2011-1 are as follows:

(1) Facilities

The types of facilities to be financed by the Community Facilities District are park facilities and land, rights-of-way and easements necessary for any of such facilities and any and all appurtenant facilities and appurtenant work relating to the foregoing;

(2) Facilities to be purchased

The types of facilities to be purchased as completed facilities are park facilities and land, rights-of-way and easements necessary for any of such facilities and any and all appurtenant facilities and appurtenant work relating to the foregoing;

(3) Incidental expenses

The incidental expenses proposed to be incurred include the following:

(a) the cost of planning, designing, construction inspection, construction

management, and environmental expenses associated with the public facilities to be financed, including the cost of environmental evaluations of those facilities, legal services, materials testing, coordination, surveying, and any and all work relating to the foregoing;

- (b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

This description of the facilities is general in nature. The final nature and location of facilities will be determined upon the preparation of final plans and specifications. The final plans and specifications may show substitutes in lieu of, or modifications to, proposed work. Any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in the Report.

EXHIBIT C

(no senior citizen exemption)

RATES AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR

The following sets forth the Rate and Method of Apportionment for the levy and collection of Special Tax A and Special Tax B (defined below) which shall be levied on and collected from each Assessor's Parcel (defined below) in Community Facilities District No. 2011-1 (Wildomar Parks), in each Fiscal Year, (defined below), commencing in the Fiscal Year beginning July 1, 2011, in an amount determined by the City Council of the City of Wildomar, acting ex officio as the legislative body of CFD No. 2011-1, by applying the rates and method of apportionment set forth below. All of the real property in CFD No. 2011-1, unless exempted by law or by the provisions herein, shall be taxed for the purposes, to the extent and in the manner provided herein.

K. DEFINITIONS

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

“Acre or Acreage” means the land area of an Assessor's Parcel as shown on any Assessor's Parcel Map, or if the land area is not shown on the Assessor's Parcel Map, the land area as shown on the applicable Final Map, or if the area is not shown on the applicable Final Map, the land area shall be calculated by the Administrator.

“Administrative Expenses” means any ordinary and necessary expenses allocable to the Special Tax A Requirement and to the Special Tax B Requirement which are incurred by the City on behalf of CFD No. 2011-1 related to the determination of the amount of the levy of Special Tax A and Special Tax B, the collection of Special Tax A and Special Tax B including the expenses of collecting delinquencies, the administration of Special Tax B bonds, the payment of salaries and benefits of any City employee whose duties are directly related to the administration of CFD No. 2011-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2011-1.

“Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax A Requirement and Special Tax B Requirement and

providing for the levy and collection of the Special Taxes according to this Rate and Method of Apportionment of Special Taxes.

“Approved Property” means, in any Fiscal Year, all Assessors’ Parcels of Taxable Property within CFD No. 2011-1 for which a Final Map was recorded prior to January 1 of any Fiscal Year, which are not yet Developed Property.

“Assessor’s Parcel” means a lot or parcel of land that is identifiable by an Assessor’s Parcel Number by the County Assessor of the County of Riverside.

“Assessor’s Parcel Map” means an official map of the Assessor of the County designating parcels by Assessor’s Parcel Number.

“Assessor’s Parcel Number” means that identification number assigned to a parcel by the County Assessor of the County.

“Assigned Special Tax A” means the Special Tax A of that name described in Section C below.

“Benefit Unit” (“BU”) means a Single Family lot or dwelling unit or the equivalent. Single Family Property is assigned benefit units based on the number of Residential Units per Assessor’s Parcel with the basis being one (1) benefit unit per Residential Unit. Multi-Family Property is assigned one (1) benefit unit per Residential Unit. Non-Residential Property is assigned benefit units based on acreage with the basis being two (2) benefit units per Acre. Undeveloped is assigned units of benefit based upon acreage with the basis being one (1) benefit unit per Assessor’s Parcel.

“CFD” or **“CFD No. 2011-1”** means the City of Wildomar Community Facilities District No. 2011-1 (Wildomar Parks).

“City” means the City of Wildomar.

“City Council” or **“Council”** means the City Council of the City of Wildomar, acting as the legislative body of CFD No. 2011-1.

“County” means the County of Riverside

“Developed Property” means all Assessor’s Parcels of Taxable Property within CFD No. 2011-1 that: (i) are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied, and

(ii) a building permit was issued on or before March 1st preceding the Fiscal Year in which the Special Tax is being levied.

“Exempt Property” means all Assessors’ Parcels within CFD No. 2011-1 designated as being exempt from the Special Tax as provided for in Section F.

“Facilities” means parks and park improvements and any other improvements or facilities designated by the City, with an estimated useful life of five (5) years or longer, which are eligible for financing under the Act.

“Final Map” 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 for which building permits for residential or non-residential structures may be issued without further subdivision.

“Fiscal Year” means the period from and including July 1st of any year to and including the following June 30th.

“Land Use Category” means, individually, Single Family Property, Multi-Family Property, Non-Residential Property, or Undeveloped Property.

“Lot” means an individual legal lot created by a Final Map for which a building permit could be issued.

“Maximum Special Tax” means Maximum Special Tax A and/or Maximum Special Tax B as defined herein.

“Maximum Special Tax A” means the maximum amount of Special Tax, determined pursuant to Section C, that can be levied by the City Council in any Fiscal Year on an Assessor’s Parcel of Taxable Property to satisfy the Special Tax A Requirement. The Maximum Special Tax A shall be increased annually by the percentage increase in the Consumer Price Index (All Items) for Los Angeles – Riverside – Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year, on March 1, 2011 for Fiscal Year 2011-12 and on each subsequent March 1 for the Fiscal Year then commencing.

“Maximum Special Tax B” means the maximum amount of Special Tax, determined pursuant to Section C, that can be levied by the City Council in any Fiscal Year on an Assessor’s Parcel of Taxable Property to satisfy the Special Tax B

Requirement. On July 1st of each Fiscal Year commencing July 1st of 2012, the Maximum Special Tax B shall be increased annually by two percent (2.00%) of the Maximum Special Tax B in effect for said Assessor's Parcel for the prior Fiscal Year.

“Multi-Family Property” means, in any Fiscal Year, any Assessor's Parcel of Approved Property within the boundaries of CFD No. 2011-1 for which a building permit may be issued for purposes of constructing a residential structure consisting of two or more Residential Units that share common walls or any Assessor's Parcel of Developed Property for which a building permit has been issued for purposes of constructing a residential structure consisting of two or more Residential Units that share common walls. Such Residential Units include but are not limited to duplexes, triplexes, townhomes, condominiums, and apartment units.

“Non-Residential Property” means all Assessors' Parcels of Developed Property within the boundaries of the CFD that are not Single Family Property, Multi-Family Property, Undeveloped Property, or Exempt Property.

"Prepayment Amount" means the amount required to prepay the Special Tax B obligation in full for an Assessor's Parcel, as described in Section G.

“Proportionately” means, for: (i) Single Family Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax A or Maximum Special Tax per Benefit Unit, as applicable, is the same for all such Assessor's Parcels of Single Family Property, (ii) Multi-Family Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax A or Maximum Special Tax per Benefit Unit, as applicable, is the same for all such Assessor's Parcels of Multi-Family Property, (iii) Non-Residential Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax A or Maximum Special Tax per Benefit Unit is the same for all such Assessor's Parcels of Non-Residential Property, and (iv) Undeveloped Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax A or Maximum Special Tax per Benefit Unit as applicable, is the same for all such Assessor's Parcels of Undeveloped Property

“Residential Property” means all Assessor's Parcels of Approved or Developed Property within the boundaries of CFD No. 2011-1 for which a building permit has been or will be issued for purposes of constructing or placing one or more residential dwelling units or upon which a residential dwelling unit has been constructed.

“Residential Unit” means, for each Fiscal Year, a building or portion thereof on an Assessor's Parcel intended for use by one (1) family and containing but one (1)

kitchen, which is designed primarily for residential occupancy including single family and multifamily dwellings. Residential Unit shall not include hotels or motels which shall be classified as Non-Residential Property.

“Service(s)” means those services authorized to be funded by CFD No. 2011-1 as set forth in the documents adopted by the City Council when the CFD was formed.

“Single Family Property” means, for any Fiscal Year, all Assessor’s Parcels of Developed Property within the boundaries of CFD No. 2011-1 for which a building permit has been issued for purposes of constructing a detached Residential Unit, or all Assessor’s Parcels of Approved Property within the boundaries of CFD No. 2011-1 for which a building permit may be issued for construction of a detached Residential Unit. Such Residential Unit does not or will not share a common wall with another Residential Unit.

“Special Tax(es)” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property for Special Tax A and/or Special Tax B.

"Special Tax A" means the Special Tax A actually levied in any Fiscal Year on any Assessor’s Parcel.

"Special Tax B" means the Special Tax B actually levied in any Fiscal Year on any Assessor’s Parcel.

“Special Tax A Requirement” means the amount, after taking into consideration available funds, required in any Fiscal Year to pay: (1) costs related to the Services authorized by the City to be funded and (2) Administrative Expenses attributable to said Services, as determined by the City.

“Special Tax B Requirement” means the amount required in any Fiscal Year after taking into consideration available funds pursuant to the bond indenture: (1) to pay principal of and interest on all Outstanding Bonds of CFD No. 2011-1, (2) to pay Administrative Expenses attributable to such bonds and the levy and collection of the Special Taxes, (3) to pay costs of credit enhancement for such bonds and any amount required to be rebated to the United States with respect to such bonds, (4) to replenish the reserve fund for such bonds, and (5) to provide any amounts which the City Council determines are necessary to pay the costs of the provision, construction and acquisition of the Facilities and/or accumulate funds therefore prior to bond sale.

"Taxable Property" means all Assessor's Parcels within CFD No. 2011-1, which are not Exempt Property.

"Undeveloped Property" means, for each Fiscal Year, all Assessor's Parcels of Taxable Property within the boundaries of CFD No. 2011-1 that are not classified as Developed Property or Approved Property, as determined by the Administrator.

L. ASSIGNMENT TO LAND USE CATEGORY

On or about June 1 of each Fiscal Year the Administrator shall identify the current Assessor's Parcel Number assigned to all Assessor's Parcels of Taxable Property within CFD No. 2011-1.

The Administrator shall then determine: (i) whether each Assessor's Parcel of Taxable Property is Developed Property, Approved Property, or Undeveloped Property, using the definitions above; (ii) for Developed Property or Approved Property, which Assessor's Parcel are Single Family Property, Multi-Family Property, or Non-Residential Property, using the definitions above; (iii) for Developed Property and Approved Property that is Multi-Family Property, the number of Residential Units within each building based on reference to the building permit, site plan, condominium plan, or other development plan; and (iv) the Special Tax A Requirement and the Special Tax B Requirement. Developed Property, Approved Property and Undeveloped Property shall be subject to the Special Taxes pursuant to Sections C and D below.

M. SPECIAL TAX RATES

Developed, Approved, and Undeveloped Property

Upon determination that an Assessor's Parcel of Taxable Property is Approved Property, Developed Property, or Undeveloped Property the Special Tax rates shall be the amounts shown in Table 1 for Special Tax A and the amounts shown in Table 2 for Special Tax B according to the Land Use Category within CFD No. 2011-1.

TABLE 1
Special Tax A Rates
Community Facilities District No. 2011-1 (Wildomar Parks)

Land Use Category	Benefit Unit Assignment	Assigned Special Tax A Rate	Maximum Special Tax A Rate
Single Family Property	One (1) BU per Residential Unit	\$23 per BU	\$28 per BU
Multi Family Property	One (1) BU per Residential Unit	\$23 per BU	\$28 per BU
Non-Residential Property	Two (2) BU per Acre	\$23 per BU	\$28 per BU
Undeveloped Property	One (1) BU per Assessor's Parcel	\$23 per BU	\$28 per BU

TABLE 2
Maximum Special Tax B Rates
Community Facilities District No. 2011-1 (Wildomar Parks)

Land Use Category	Benefit Unit Assignment	Maximum Special Tax B Rate
Single Family Property	One (1) BU per Residential Unit	\$17 per BU
Multi Family Property	One (1) BU per Residential Unit	\$17 per BU
Non-Residential Property	Two (2) BU per Acre	\$17 per BU
Undeveloped Property	One (1) BU per Assessor's Parcel	\$17 per BU

Exempt Property

No Special Tax shall be levied on Exempt Property.

Annual Escalation of Special Taxes

For both Assigned Special Tax A and Maximum Special A Tax Rates, beginning March 1, 2012 and each March 1 thereafter, the Maximum Special Taxes that may be levied on each Assessor's Parcel shall be the Maximum Special Taxes for the

previous Fiscal Year increased by the percentage increase in the Consumer Price Index (All Items) for Los Angeles - Riverside - Orange County (1982-84 = 100) since the beginning of the preceding Fiscal Year.

For Maximum Special B Tax Rates, beginning July 1, 2012 and each March 1st thereafter, the Maximum Special Taxes that may be levied on each Assessor's Parcel shall be the Maximum Special Taxes for the previous Fiscal Year increased by two percent (2.00%) of the Maximum Special Tax B in effect for said Assessor's Parcel for the prior Fiscal Year.

N. METHOD OF APPORTIONMENT OF ANNUAL SPECIAL TAX

Commencing with the Fiscal Year in which the City Council determines that the levy of the Special Taxes shall commence and for each subsequent Fiscal Year, the Council shall determine the total amount of Special Taxes to be levied and collected in that Fiscal Year in order to satisfy the Special Tax A Requirement and the Special Tax B Requirement for such Fiscal Year. The Council shall levy the Special Taxes on all Assessor's Parcels of Taxable Property in the following priority until it has levied the amount necessary to satisfy both the Special Tax A Requirement and the Special Tax B Requirement for the Fiscal Year as follows:

(a) Special Tax A Requirement.

(1) First: The Special Tax shall be levied on all Assessor's Parcels of Taxable Property that are Approved Property, Developed Property and Undeveloped Property in equal percentages up to 100% of Assigned Special Tax A Rate set forth in Table 1; and

(2) Second: If additional funds are needed, the Special Tax A shall be levied on all Assessor's Parcels of Approved, Developed and Undeveloped Property in equal percentages up to 100% of the Maximum Special Tax A set forth in Table 1.

(b) Special Tax B Requirement.

(1) First: The Special Tax shall be levied on all Assessor's Parcels of Taxable Property that are Developed Property in equal percentages up to 100% of the applicable Maximum Special Tax B as set forth in Table 2; and

(2) Second: If additional funds are needed, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property that are Approved Property in equal percentages up to 100% of the Maximum Special Tax B for Approved Property; and

(3) Third: If additional funds are needed, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property that are Undeveloped Property in equal

percentages up to 100% of the Maximum Special Tax B for Undeveloped Property.

Notwithstanding the above, under no circumstances shall the Special Tax levied in any fiscal year against any Assessor's Parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other Assessor's Parcel or Assessor's Parcels within the CFD by more than ten percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

O. INTERPRETATIONS OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. The City may make interpretations by ordinance or resolution for the purposes of clarifying any vagueness or ambiguity in the Rate and Method of Apportionment of Special Tax.

P. EXEMPTIONS

The City shall classify as Exempt Property within CFD No. 2011-1, any Assessor's Parcel in any of the following categories; (i) Assessor's Parcels which are owned by, irrevocably offered for dedication to, encumbered by or restricted in use by any public entity; (ii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; (iii) Assessor's Parcels which are privately owned but are encumbered by or restricted solely for public uses; (iv) any Assessor's Parcel which is in use in the performance of a public function as determined by the Administrator; or (v) Assessor's Parcel used as a place of worship or for other religious activities as determined by the Administrator.

Q. PREPAYMENT OF SPECIAL TAX B

The following definition applies to this Section G:

"Outstanding Bonds" means all previously issued bonds issued and secured by the levy of Special Tax B 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 Tax B.

Prepayment

The Special Tax B obligation of an Assessor's Parcel of Approved Property, an Assessor's Parcel of Developed Property, and an Assessor's Parcel of Undeveloped Property may be prepaid in full, provided that there are no delinquent Special Tax B taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax B 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 B 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. 2011-1 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):

$$\begin{array}{rcl} & & \text{Payoff Amount} \\ & \text{plus} & \text{Administrative Fee} \\ & \text{equals} & \text{Prepayment Amount} \end{array}$$

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

1. For an Assessor's Parcel of Developed Property and Approved Property, compute the Maximum Special Tax B applicable to the Assessor's Parcel. For an Assessor's Parcel of Undeveloped Property compute the Maximum Special Tax B as though it was already designated as Developed Property based upon the building permit issued or expected to be issued for that Assessor's Parcel.

For each Assessor's Parcel of Approved Property, Developed Property, or Undeveloped Property compute the present value of the remaining Maximum Special Tax B payments using a discount rate that is equal to the weighted average

interest rate on the Outstanding Bonds and the remaining term of the Outstanding Bonds determined by a financial advisor selected by the City. For any prepayment that occurs prior to the issuance of Bonds, the discount rate used in this calculation shall be 6.5% and the term shall be the period in which the Special Tax B may be levied as provided in Section J less ten years. This is the "Payoff Amount."

2. For each Assessor's Parcel of Approved Property, Developed Property, or Undeveloped Property, divide the Maximum Special Tax B computed pursuant to the first paragraph in paragraph 1 of this Section G for such Assessor's Parcel by the sum of the estimated Maximum Special Tax B applicable to all Assessor's Parcels of Taxable Property at buildout, as reasonably determined by the City.

3. Multiply the quotient computed pursuant to paragraph 2 by the 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 amount needed to pay interest on the Bond Redemption Amount to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the Outstanding Bonds.

6. Determine the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium in State and Local Government Series Treasury Obligations until the earliest call date for the Outstanding Bonds.

7. Subtract the amount computed pursuant to paragraph 6 from the amount computed pursuant to paragraph 5. This difference is the "Defeasance Cost."

8. 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."

9. 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 zero.

10. The "Amount to Call Bonds" is equal to the sum of the Bond Redemption Amount, the Redemption Premium, and the Defeasance Cost, less the Reserve Fund Credit (the Amount to Call Bonds will be transferred to the debt service fund and used to defease or call bonds).

11. The Prepayment Amount is the sum of the Amount to Call Bonds and the Administrative Fee.

12. From the Prepayment Amount, the Amount to Call Bonds will be transferred to the debt service fund and used to defease or call bonds pursuant to the bond fiscal agent agreement or escrow agreement; the Administrative Fee will be transferred to the administrative fund or functionally equivalent fund or account pursuant to the fiscal agent agreement and used to pay administrative expenses; the remainder will be transferred to the Surplus Taxes Fund or functionally equivalent fund or account pursuant to the Fiscal agent agreement.

With respect to the Special Tax B obligation that is prepaid pursuant to this Section G, the City Council shall indicate in the records of CFD No. 2011-1 that there has been a prepayment of the Special Tax B 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 B obligation and the release of the Special Tax B lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax B shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the total amount of Special Tax B that may be levied on Taxable Property after such full 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 as determined by the Administrator or, at the option of the Administrator, a financial advisor or special tax consultant.

R. 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 not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 2011-1 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, but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

S. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ad valorem property taxes 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; provided, however, that the City may collect Special Taxes at a different time or in a different manner, if necessary, to meet the financial obligations of CFD No. 2011-1.

T. TERM OF SPECIAL TAX

All Assessor's Parcels of Taxable Property shall continue to be subject to the levy and collection of the Special Tax A to satisfy the Special Tax A Requirement as long as the City provides the Services within and for the benefit of the residents within CFD No. 2011-1.

Pursuant to Section 53321(d) of the Government Code of the State of California, the tax year after which no further Special Tax B shall be levied or collected with respect to any Assessor's Parcel within CFD No. 2011-1 to satisfy the Special Tax B Requirement shall be Fiscal Year 2045-46.