

CITY OF WILDOMAR – COUNCIL
Agenda Item #2.1
PUBLIC HEARING
Meeting Date: March 7, 2011

TO: Mayor and City Council Members

FROM: Gary Nordquist, Assistant City Manager

SUBJECT: City of Wildomar Community Facility District No. 2011-1 (Cont. from 2-24-11)

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council adopt one of the following options:

Option 1 (Tax A & B)

1.1 Adopt a Resolution entitled:

RESOLUTION NO. 2011 - 11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR,
CALIFORNIA, DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS;
ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR
PARKS) OF THE CITY OF WILDOMAR; AUTHORIZING THE LEVY OF SPECIAL
TAXES WITHIN SAID COMMUNITY FACILITIES DISTRICT; ESTABLISHING AN
APPROPRIATIONS LIMIT; AND TAKING CERTAIN OTHER ACTIONS RELATING
TO SAID COMMUNITY FACILITIES DISTRICT

1.2 Adopt a Resolution entitled:

RESOLUTION NO. 2011 - 12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR,
CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF
COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF
THE CITY OF WILDOMAR DETERMINING THE NECESSITY TO INCUR
BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$5,000,000
WITHIN SAID COMMUNITY FACILITIES DISTRICT

1.3 Receive Community Facilities District Report, dated March, 2011.

Option 2 (Tax A only)

2.1 Adopt a Resolution entitled:

RESOLUTION NO. 2011 - 11
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR,
CALIFORNIA, MODIFYING RESOLUTION NO. 2011-07 OF THE CITY COUNCIL
OF THE CITY OF WILDOMAR

2.2 Adopt a Resolution entitled:

RESOLUTION NO. 2011 - 12
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR,
CALIFORNIA, DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS;
ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2011-1
(WILDOMAR PARKS) OF THE CITY OF WILDOMAR; AUTHORIZING THE
LEVY OF A SPECIAL TAX WITHIN SAID COMMUNITY FACILITIES
DISTRICT; AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID
COMMUNITY FACILITIES DISTRICT

And

2.3 Receive Community Facilities District Report dated March, 2011.

DISCUSSION:

At the February 24, 2011 City Council Meeting, the City Council opened Public Hearing Agenda item 2.2 to hear and discuss recommended funding methods for the City's park system. The presentation focused on the recommended adoption of two resolutions which would provide for 1) the formation of a district to assess \$28.00 per benefit unit to fund park maintenance and operations, known as Special Tax A and 2) the ability to incur indebtedness, limited to \$5 million for park land acquisition and improvements, limited to \$17 per benefit unit, known as Special Tax B.

Following the staff presentation, public comments and City Council member discussions, the City Council agreed to continue the Public Hearing to a special City Council meeting on March 7, 2011 and provided direction to staff to bring back an alternative recommendation which excluded the Special Tax B component (ability to incur indebtedness \$17.00).

This report provides the materials as requested in the form of "Option 1" and "Option 2". Option 1 includes the original recommended funding components of Tax A formation of a district for "Maintenance and Operations" at a maximum of \$28.00 per year and also

includes Tax B, the component that establishes the ability to incur indebtedness at a maximum annual rate of \$17.00 for park land acquisition and improvement.

Option 2 includes only Special Tax A at a maximum rate of \$28.00 designated for forming a district that will maintain and operate the parks in the city.

Senior Exemption

Proposed CFD 2011-1 includes a provision to exempt property owned and occupied by senior citizens 62 years of age or older who apply and qualify for the exemption. Because many senior citizens are retired and operate on fixed incomes, they are more likely to encounter difficulties with payment of the special tax. In an effort to address this hardship, CFD 2011-1 includes this exemption. During the review of these components and the updates for Options 1 and 2, staff provided clarification of the senior citizen exemption. The senior exemption language now clarifies that it is the Assessor's Parcel which may qualify as exempt, as long as certain conditions are met. Those conditions are that an owner of such Assessor's Parcel completes and submits an application and the Assessor's Parcel is owned and occupied by a person who is at least age 62.

During the review of these components and the updates for Options 1 and 2, staff provided refinement to the senior citizen exemption, specially "Special tax laws permit exemptions from special taxes where a rational basis exists for the exemption. Proposed CFD 2011-1 includes a provision to exempt property owned and occupied by senior citizens 62 years of age or older who apply and qualify for the exemption. Because many senior citizens are retired and operate on fixed incomes, they are more likely to encounter difficulties with payment of the special tax. In an effort to address this hardship, CFD 2011-1 includes this exemption."

FISCAL IMPACT:

The recommended actions could provide for a process leading to a dedicated and sustainable funding source for City parks. Should the parks funding program be denied and the parks are closed, the General Fund will be impacted approximately \$50,000 for closure, maintenance costs, vandalism repairs of the closed parks as required for public health and safety.

Submitted by:

Approved by:

Gary Nordquist
Assistant City Manager

Frank Oviedo
City Manager

ATTACHMENTS:

ATTACHMENT A, OPTION 1

*2 Resolutions

*Community Facilities District Report dated March 2011

ATTACHMENT B: OPTION 2

*2 Resolutions

*Community Facilities District Report dated March 2011.

Attachment

"A"

Option 1

1.1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS; ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR; AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN SAID COMMUNITY FACILITIES DISTRICT; ESTABLISHING AN APPROPRIATIONS LIMIT; AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID COMMUNITY FACILITIES DISTRICT

Attachment

"A"

Option 1

1.2

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF WILDOMAR,
CALIFORNIA, ACTING IN ITS CAPACITY
AS THE LEGISLATIVE BODY OF
COMMUNITY FACILITIES DISTRICT NO.
2011-1 (WILDOMAR PARKS) OF THE CITY
OF WILDOMAR DETERMINING THE
NECESSITY TO INCUR BONDED
INDEBTEDNESS IN AN AMOUNT NOT TO
EXCEED \$5,000,000 WITHIN SAID
COMMUNITY FACILITIES DISTRICT

Attachment

"A"

Option 1

1.3

Community Facilities District Report
Dated March 2011

Attachment "B" Option 2 2.1

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF WILDOMAR MODIFYING
RESOLUTION NO. 2011-07 OF THE CITY
COUNCIL OF THE CITY OF WILDOMAR

Attachment

"B"

Option 2

2.2

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS; ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR; AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID COMMUNITY FACILITIES DISTRICT; AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID COMMUNITY FACILITIES DISTRICT

Attachment
"B"
Option 2
2.3

Community Facilities District Report
Dated March 2011

RESOLUTION NO. 2011 - 11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS; ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR; AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN SAID COMMUNITY FACILITIES DISTRICT; ESTABLISHING AN APPROPRIATIONS LIMIT; AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID COMMUNITY FACILITIES DISTRICT

WHEREAS, the City Council (the "Council") of the City of Wildomar, California (the "City"), on January 25, 2011, has heretofore adopted Resolution No. 2011-07, entitled "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" (the "Resolution of Intention"), stating its intention to form 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, as amended, (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California; and

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the District and setting forth the rates and method of apportionment and manner of collection of the special taxes (the "Special Taxes"), consisting of "Special Tax A" and "Special Tax B" (as such terms are defined in Exhibit "A" attached hereto), to be levied within the proposed District is on file with the City Clerk and incorporated herein by reference; and

WHEREAS, a report by the City officer(s) who will be responsible for the District (the "Report"), has been filed with the Council pursuant to the Resolution of Intention; and

WHEREAS, the Resolution of Intention set February 24, 2011 as the date of the public hearing on the formation of the District and this Council held the said public hearing as required by law; and

WHEREAS, at said hearing all interested persons desiring to be heard on all matters pertaining to the formation of the District, the services and facilities to be provided therein and the levy of the Special Taxes were heard, and a full and fair hearing was held; and

WHEREAS, at said hearing evidence was presented to the Council on said matters before it, and this Council at the conclusion of said hearing is fully advised in the premises;

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

Section 1. That the above recitals are all true and correct.

Section 2. The Council finds and determines (which finding and determination is final and conclusive in accordance with Government Code Section 53325.1) that all proceedings up to and including the adoption of this Resolution were and are valid and in conformity with the requirements of the Act, including, without limitation, the following:

Adoption of the Resolution of Intention to establish the District;

Adoption of Resolution No. 2011-08, entitled "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" (the "Resolution of Intention to Incur Bonded Indebtedness");

Publication of notices of public hearing on the establishment of the District and of the proposed debt issue;

Conducting of a public hearing on the establishment of the District, the proposed public facilities and services and the incurring of the proposed debt, at which time all interested persons were permitted to protest orally or in writing against the establishment of the District, were permitted to file written protests to the regularity or sufficiency of the proceedings, and any person interested, including persons owning property within the District, were permitted to appear and present any matters material to the questions set forth in the Resolution of Intention to Incur Bonded Indebtedness.

Section 3. The Report, as now submitted, is hereby approved and is made a part of the record of the hearing, and is ordered kept on file with the transcript of these proceedings and open for public inspection.

Section 4. A community facilities district to be designated "Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar" ("the District") is hereby established pursuant to the Act.

Section 5. The description and map of the boundaries of the District on file in the City Clerk's office and as described in the Resolution of

Intention and incorporated herein by reference, shall be the boundaries of the District. The map of the proposed boundaries of the District has been recorded in the Office of the County Recorder of Riverside County, California in Book 75, page 2 of Maps of Assessment and Community Facilities Districts (Instrument No. 2011-0056897).

Section 6. The type of public facilities (“Facilities”) and incidental expenses proposed to be financed by the District and pursuant to the Act consist of those items listed as facilities in Exhibit “B” attached hereto and by this reference incorporated herein.

Section 7. The type of public services (“Services”) and incidental expenses proposed to be financed by the District and pursuant to the Act consist of those items listed as services in Exhibit “B” attached hereto and by this reference incorporated herein.

Section 8. Except where funds are otherwise available, the Special Taxes, secured by recordation of a continuing lien against all nonexempt real property in the District, shall be levied annually within the District sufficient to pay for (i) the Services, Facilities and incidental expenses, and (ii) the principal and interest and other periodic costs on bonds issued to finance the Facilities and 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. The proposed rates and method of apportionment and manner of collection of the Special Taxes within the District (the “Rate and Method”) is described in detail in Exhibit “A” attached hereto and by this reference incorporated herein. The Rate and Method allows each landowner within the District 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 the District all amounts, if any, transferred to the District pursuant to Section 53314 of the Act and interest thereon.

Section 9. If Special Tax B for Facilities of the District 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 the District 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.

Section 10. 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 the District.

Section 11. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the Special Taxes shall attach to all nonexempt real property in the District, and this lien shall continue in force and effect until the Special Tax obligation is prepaid or otherwise permanently satisfied and the lien cancelled in accordance with law or until collection of the tax by the District ceases.

Section 12. 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 the District. 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.

Section 13. In accordance with the Act, an appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the District is hereby established at \$5,000,000 and said appropriations limit shall be submitted to the voters of the District as hereafter provided. The proposition establishing said appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

Section 14. Written protests against the establishment of the District, or against the furnishing of specified services or facilities or the levying of a specified special tax within the District, have not been filed by fifty percent (50%) or more of the registered voters or property owners of one-half (1/2) or more of the area of land within the District.

Section 15. The proposed Special Taxes to be levied within the District have not been precluded by majority protest pursuant to Government Code Section 53324.

Section 16. The Office of the City Manager, 23873 Clinton Keith Road, Wildomar, California 92595, (951) 677-7751, or its designee, is designated to be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant to Section 53340.2 of the Government Code. The City may contract with private consultants to provide this service in lieu of the Office of the City Manager.

Section 17. Pursuant to the provisions of the Act, the proposition of the levy of the Special Taxes, the incurring of bonded indebtedness, and the

establishment of the appropriations limit specified above shall be submitted to the qualified electors of the District at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council. The qualified electors for the election to be held in these proceedings shall be the registered voters within the District.

Section 18. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED and APPROVED this 7th day of March, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

Debbie A. Lee, CMC
City Clerk

EXHIBIT "A"

**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 therefor 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.

Exemption of Assessor's Parcels Owned and Occupied by Senior Citizens

The Administrator shall also classify as Exempt Property within CFD No. 2011-1 any Assessor's Parcel if the following conditions are met: (1) an application by an owner of such Assessor's Parcel is completed and submitted to the Administrator by the applicable deadline set forth below, and (2) it is established to the Administrator's satisfaction that the Assessor's Parcel is owned and occupied by a person who is at least age 62. Applications for this exemption must be in the form prescribed and made available by the City. Applications must be filed annually for each fiscal year in order for the Assessor's Parcel to be classified as Exempt Property for that fiscal year. The application deadline for the initial fiscal year is July 1, 2011. The application deadline for all subsequent fiscal years is March 1 of such fiscal year.

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):

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

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.

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 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-

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 "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 "A" to this resolution.

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.

RESOLUTION NO. 2011 - 12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$5,000,000 WITHIN SAID COMMUNITY FACILITIES DISTRICT

WHEREAS, the City Council (the "Council") of the City of Wildomar, California (the "City"), on January 25, 2011, has heretofore adopted Resolution No. 2011-07, entitled "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" (the "Resolution of Intention"), stating its intention to form 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, as amended, (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California; and

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the District and setting forth the rates and method of apportionment and manner of collection of the special taxes to be levied within the District, is on file with the City Clerk and incorporated herein by reference; and

WHEREAS, the Council of the City, on January 25, 2011, has heretofore adopted Resolution No. 2011-08, entitled "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" (the "Resolution of Intention to Incur Bonded Indebtedness"), stating its intention to incur bonded indebtedness in an amount of not to exceed \$5,000,000 within the proposed District; and

WHEREAS, a copy of the Resolution of Intention to Incur Bonded Indebtedness is on file with the City Clerk; and

WHEREAS, on January 24, 2011, this Council held a noticed hearing as required by law relative to the proposed formation of the District; and

WHEREAS, at said hearing interested persons desiring to be heard on all matters pertaining to the formation of the District were heard and a full and fair hearing was held; and

WHEREAS, at said hearing evidence was presented to this Council on said matters before it, and this Council at the conclusion of said hearing was and is fully advised in the premises; and

WHEREAS, this Council adopted its resolution determining the validity of prior proceedings, establishing the District, authorizing the levy of special taxes within the boundaries of the District, establishing an appropriations limit, and taking certain other actions relating to said District (the "Resolution of Formation"); and

WHEREAS, the proposed special taxes to be levied upon property within the District to pay principal and interest on the bonds proposed to be issued within the District has not been precluded by a majority protest pursuant to Government Code Section 53324; and

WHEREAS, this Council wishes to present to the qualified electors of the District a combined proposition (the "Proposition") to: (1) levy special taxes on property within the District; (2) incur bonded indebtedness; and (3) establish an appropriations limit for the District.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WILDOMAR, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The City Council hereby declares and deems that the public convenience and necessity require and it is necessary to incur bonded indebtedness in a maximum aggregate principal amount not to exceed \$5,000,000 within the District for the purpose of financing all or a portion of the Facilities (as defined below) and more particularly described as set forth in that certain Report filed with the City Council for the District.

Section 2. The purpose of the proposed bonded indebtedness is generally described as follows: to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, 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.

Section 3. Except for property within the District that is exempt, wholly or partially, from the levy of Special Tax B (as such term is defined and specified in the Rates and Method of Apportionment of Special Tax attached to the Resolution of Formation as Exhibit "A"), the whole of the property within the District shall pay for the applicable bonded indebtedness pursuant to the levy of Special Tax B authorized by the Resolution of Formation.

Section 4. The maximum term of the bonds or any series thereof to be issued shall in no event exceed forty (40) years.

Section 5. The bonds or any series thereof shall bear interest at a maximum interest rate not in excess of 12.0 percent per annum or such rate not in

excess of the maximum rate permitted by law at the time the bonds are issued, payable annually or semiannually, with the actual rates and times of payment to be determined at the time of sale thereof.

Section 6. The Proposition shall be submitted to the registered voters in the District at a special District election to be consolidated with the general election to be held on June 7, 2011, on which date the polls will be open between the hours of 7:00 am and 8:00 pm, all as more particularly specified by a separate resolution of this Council adopted on the date hereof

Section 7. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 7th day of March, 2011.

Marsha Swanson

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

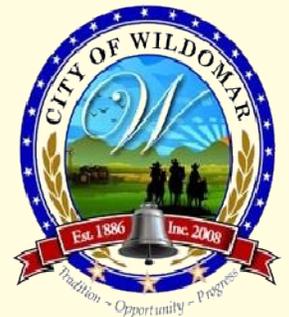
By: Thomas Jex
Assistant City Attorney

Debbie A. Lee, CMC
City Clerk

Community Facilities District Report

City of Wildomar
Community Facilities District No. 2011-1
(Wildomar Parks)

Prepared for



February 2011

ALBERT A.
WEBB
ASSOCIATES

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A. Background

On January 25, 2011, the City Council of the City of Wildomar adopted a Resolution of Intention to form Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar, Resolution No. 2011-07, (the "Resolution of Intention"), pursuant to the provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, (the "Act").

The City of Wildomar Community Facilities District No. 2011-1 (Wildomar Parks) (the "CFD No. 2011-1") is a citywide district comprised of all parcels within the boundaries of the City of Wildomar, California. For a map showing the boundaries of CFD No. 2011-1 please see Appendix "A".

The formation of CFD 2011-1 is to provide funding for the maintenance services within the boundaries of the parks, for recreational programs and services, to finance the purchase and acquisition of park facilities and land, including rights-of-way and easements necessary for such facilities, and incidental expenses in connection with said services and facilities (the "Services and Facilities"). The City of Wildomar parks include: i) Marna O'Brien Park, located at 2505 Palomar Street, Wildomar, CA; Assessor's Parcel Nos. 368-230-001, 368-240-003, and 368-240-004 (Grant Deed Doc # 2009-0608940), ii) Regency Heritage Park located at 20171 Autumn Oaks Place, Wildomar, CA, Assessor's Parcel No. 370-500-020 (Grant Deed Doc # 2009-0608938); iii) Windsong Park located at 35459 Prairie Road, Wildomar, CA, Assessor's Parcel Nos. 376-261-001, 376-261-002, and 376-281-001 (Grant Deed Doc # 2009-0608939); and iv) a future park located at the southwest corner of Peggy Lane and Susan Road, Wildomar, CA, Assessor's Parcel Nos. 376-350-013 and 376-350-014.

At the request and direction of the officers having responsibility for the types of Facilities and Services proposed to be provided by CFD No. 2011-1, the Special Tax Consultant has prepared and submits this Community Facilities District Report (the "Report") on behalf of those officers pursuant to the Resolution of Intention.

B. Purpose of Community Facilities District Report

This Report is submitted pursuant to Section 53321.5 of the Act, as well as the Resolution of Intention ordering said Report. The Act and the Resolution of Intention directs that said Report generally contain a description of the types of Services and Facilities that are proposed by to be provided by CFD No. 2011-1 and funded with the proceeds of special taxes issued by CFD No. 2011-1 as permitted under the Mello-Roos Community Facilities Act of 1982. The general description of Services and Facilities are in Section 2 of this Report.

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

NOW, THEREFORE, the undersigned, authorized representative of ALBERT A. WEBB ASSOCIATES, the appointed responsible officer, or person directed to prepare the Report, does hereby submit the following data:

A. Description of Services

The types of Services that are proposed by to be provided by CFD No. 2011-1 and funded with the proceeds of special taxes issued by CFD No. 2011-1 consist of services permitted under the Mello-Roos Community Facilities Act of 1982 including, without limitation;

(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 the Resolution of Intention.

The above Services shall be limited to those provided within the boundaries of CFD No. 2011-1 or for the benefit of the properties within the boundaries of CFD No. 2011-1, and said Services may be financed by proceeds of the special tax of CFD No. 2011-1 only to the extent that they are in addition to those provided in the territory of CFD No. 2011-1 before CFD No. 2011-1 was created.

B. Description of the Facilities

The types of Facilities that are proposed by to be provided by CFD No. 2011-1 and funded with the proceeds of special taxes issued by CFD No. 2011-1 consist of Facilities permitted under the Mello-Roos Community Facilities Act of 1982 including, without limitation; 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 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.

It is my opinion that the above described Services and Facilities are those that are necessary to meet increased demands placed upon the City of Wildomar as a result of the existing and future demand of parks and recreational programs within the City boundaries and occurring within the CFD No. 2011-1.

Executed this 16TH day of FEBRUARY '011

ALBERT A. WEBB ASSOCIATES



SHANE SPICER
SPECIAL TAX CONSULTANT
CITY OF WILDOMAR
STATE OF CALIFORNIA

C. Boundaries of the Community Facilities District

The boundaries of CFD No. 2011-1 are those properties and parcels where services are authorized to be provided and upon which special taxes may be levied in order to pay for the costs and expenses of said Services and Facilities. A general description of the area within the boundaries of the CFD No. 2011-1 is attached as Appendix "A".

D. Cost Estimate – Services

The estimated annual cost of providing such services, based upon current dollars, which is subject to escalation, is as follows: \$290,000 is the estimated cost for Fiscal Year 2011-12 for providing the services described herein. The estimate is based on the cost of actual services provided by the City of Wildomar.

This annual cost estimate is also based on the estimated cost per Benefit Unit (a Single-Family Residential Property or equivalent – as defined in the Rates and Method of Apportionment of Special Tax). The annual cost of providing such services will also increase due to inflation in costs of energy, material, supplies, and labor.

1. Marna O'Brien Park - located at 20505 Palomar Street, Wildomar, CA, is a recreation area and sports park that consists of three baseball fields with player and spectator benches, a full basketball court and 2 large multi-use soccer fields along with sports field lighting. The park also includes shelters, a granite walking trail with a fitness course stations, new tot-lot, restroom, and a concession stand.

Marna O'Brien Park Cost Estimate

Services	Cost
Utilities	
Water	\$43,109
Electrical	\$23,100
Telephone	\$610
Contracts	
Landscaping Contract	\$24,000
Maintenance Contract	\$29,280
Security Contract	\$1,700
Janitorial Contract	\$6,900
Materials	
Maintenance & Repairs	\$4,500
Doggie Bags	\$300
Backflow Certification	\$40
Bathroom Essentials	\$600
Marna O'Brien Total	\$134,139

2. Regency Heritage Park - located at 20171 Autumn Oaks Place, Wildomar, CA, is a neighborhood park with a kid's play area and a tot lot. The park is also encompassed by two basketball courts, a granite walkway, picnic shelters and park benches. Regency Heritage Park will also include a dog park with a fenced walkway. The estimated cost for services is as follows:

Regency Heritage Park
Cost Estimate

Services	Cost
Utilities	
Water	\$14,300
Electrical	
Telephone	
Contracts	
Landscaping Contract	\$11,400
Maintenance Contract	\$10,560
Security Contract	\$1,700
Janitorial Contract	
Materials	
Maintenance & Repairs	\$2,000
Doggie Bags	\$300
Backflow Certification	\$40
Bathroom Essentials	
Regency Heritage Park Total	\$40,300

3. Windsong Park - located at 35459 Prairie Road, Wildomar, CA is a neighborhood park that includes a walkway, around the perimeter, picnic tables, pavilions, tot-lot and basketball court. The estimated cost for services is as follows:

Windsong Park Cost Estimate

Services	Cost
Utilities	
Water	\$14,300
Electrical	\$2,400
Telephone	
Contracts	
Landscaping Contract	\$10,200
Maintenance Contract	\$8,160
Security Contract	\$1,700
Janitorial Contract	
Materials	
Maintenance & Repairs	\$2,000
Doggie Bags	\$300
Backflow Certification	\$40
Bathroom Essentials	
Windsong Park Total	\$39,100.00

Cost Estimate Summary

Marna O'Brien Park Total	\$134,139
Regency Heritage Park Total	\$40,300
Windsong Park Total	\$39,100
Subtotal	\$213,539
Department Services Staffing	\$16,000
Administration	\$20,000
Park Programs	\$40,000
Total	\$289,539

E. Cost Estimate – Facilities

The estimated total cost of the facilities for the future park, to be funded by the levy of Special Tax B of the issuance of bonds by CFD 2011-1 is estimated at \$1,950,000.00.

The types of Facilities envisioned for the future park site would be various state of the art sports fields, basketball courts, tennis courts, field and court lighting for night play, jogging trails, a tot-lot, picnic and barbeque areas, passive recreational areas, snack bars and restrooms.

F. Rates and Method of Apportionment of Special Tax

1. The Resolution of Intention generally sets forth the rates and method of apportionment of the special tax to allow each landowner or resident within the District to estimate the annual amount of special tax that will be required.

2. The rates and methods of apportioning special taxes (Special Tax A for Services and Special Taxes B for facilities) that will be levied on parcels of taxable property within CFD No. 2011-1 and that will fund the Special Tax A Requirement, the Special Tax B Requirement, as those terms are defined in the Rate and Method of Apportionment of Special Taxes were incorporated in the Resolution of Intention and are also part of the Resolution forming CFD No. 2011-1. The rates and methods of apportionment of the special tax allow each property owner within CFD No. 2011-1 to estimate the maximum annual special tax on a given parcel of property.

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

Special Tax A is to pay for the cost of maintenance services. The Maximum Rate for Tax A is \$28 per BU, which is a \$5 increase above the assigned Special Tax A, and would be levied once the future park has been equipped for use by the community. Special Tax A will escalate by the increase of CPI, Consumer Price Index. Special Tax A will be levied for as long as services are provided.

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

Special Tax B is to pay for facilities for the future park. The Maximum Rate for Special Tax B is \$17 per BU and will be levied to pay for any bonds issued as part of CFD No. 2011-1. Special Tax B will escalate at 2% per year starting Fiscal Year 2012-13 and can be levied until FY 2045-46.

G. Senior Citizen Exemption 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 owned and occupied by senior citizens. The property owner must meet certain qualifications and complete an application similar to "Exhibit A" 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.

H. Prepayment of Special Tax B

The Special Tax B obligation of a parcel of property within CFD No. 2011-1 may be prepaid under the terms and conditions set forth in the rates and methods of apportionment of special tax incorporated within the Resolution of Intention.

I. Manner of Collection

The special tax shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties and interest, in any case of delinquency, as applicable for ad valorem taxes.

For particulars as to the rates and method of apportionment, see Appendix "C".

It is my opinion that the special tax rates and method of apportionment, as above set forth, is fair and equitable, uniformly applied, and not discriminatory or arbitrary.

Executed this 16TH day of FEBRUARY, 2011

ALBERT A. WEBB ASSOCIATES



SHANE SPICER
SPECIAL TAX CONSULTANT
CITY OF WILDOMAR
STATE OF CALIFORNIA

Appendix A

Proposed Boundary Map

A L B E R T A .

WEBB

A S S O C I A T E S

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City of

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PROPOSED BOUNDARY MAP

COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS), CITY OF WILDOMAR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF WILDOMAR AT A SPECIAL MEETING THEREOF HELD ON 25th DAY OF Jan., 2011.
BY ITS RESOLUTION NO. 2011-07

Devin A. Lee
CITY CLERK
CITY OF WILDOMAR

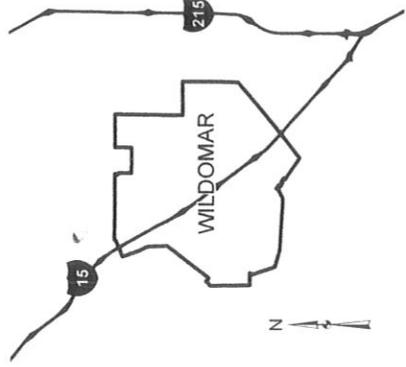
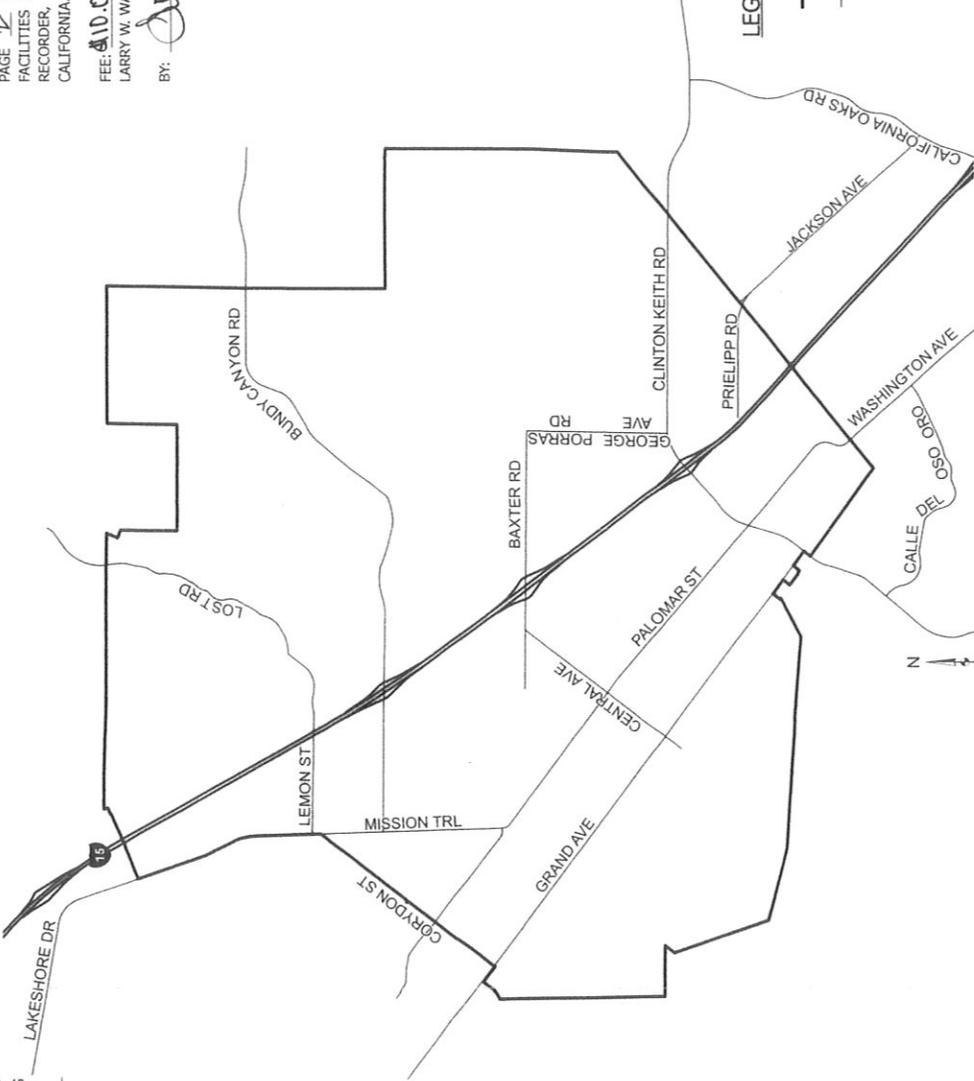
FILED IN THE OFFICE OF THE CITY CLERK, CITY OF WILDOMAR,
THIS 25th DAY OF Jan., 2011.
BY ITS RESOLUTION NO. 2011-07

Devin A. Lee
CITY CLERK
CITY OF WILDOMAR

RECORDED THIS 4th DAY OF February, 2011,
AT THE HOUR OF 9:17 O'CLOCK A.M. IN BOOK 15
PAGE 2 OF MAPS OF ASSESSMENT AND COMMUNITY
FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY
RECORDER, IN THE COUNTY OF RIVERSIDE, STATE OF
CALIFORNIA.

FEES: \$10.00 INSTRUMENT NO.: 2011-0056897
LARRY W. WARD, ASSESSOR, COUNTY CLERK, RECORDER

BY: *Devin A. Lee*
DEPUTY



VICINITY MAP
NOT TO SCALE

NOT TO SCALE

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2010-2011.

ALBERT A. WEBB
ASSOCIATES
PLANNING CONSULTANTS

Appendix B

Rates and Method of Apportionment

**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 therefor 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

owned and occupied by senior citizens. The property owner must meet certain qualifications and complete an application similar to "Exhibit A" 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):

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

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.

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

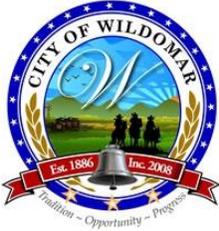
City may collect Special Taxes at a different time or in a different manner, if necessary, to meet the financial obligations of CFD No. 2011-1.

J. TERM OF SPECIAL TAX

All 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.

EXHIBIT A



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

Applications must be filed annually by July 1, 2011 with applications for all subsequent fiscal years being filed by March 1 of such fiscal year. In accordance with the provisions of the resolution adopting and imposing this CFD No. 2011-1 Tax, failure to file by the previously stated deadlines 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: _____
(herinafter 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. ____.

Appendix C

Resolution of Intention No. 2011-07

RESOLUTION NO. 2011 - 07

**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 24, 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

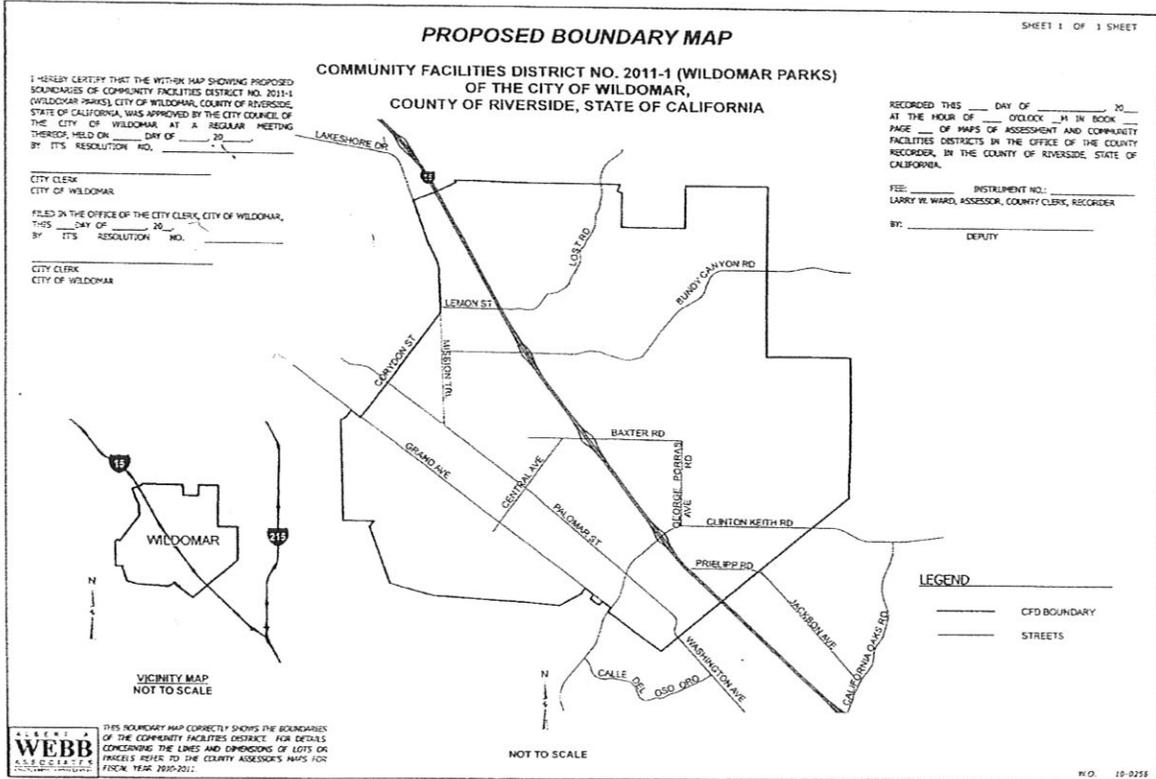


EXHIBIT "B"

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):

		Payoff Amount
plus		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.

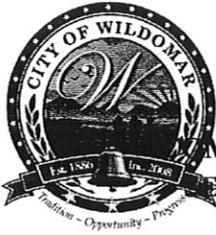


Exhibit D

**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. ____.

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

I, Debbie A. Lee, CMC, City Clerk of the City of Wildomar, California, do hereby certify that the foregoing Resolution No. 2011 - 07 was duly adopted at a special meeting held on January 25, 2011, by the City Council of the City of Wildomar, California, by the following vote:

AYES: Mayor Swanson, Mayor Pro Tem Benoit, Council Members Cashman, Moore, Walker

NOES: None

ABSTAIN: None

ABSENT: None



Debbie A. Lee, CMC
City Clerk
City of Wildomar

RESOLUTION NO. 2011 - 11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, MODIFYING RESOLUTION NO. 2011-07 OF THE CITY COUNCIL OF THE CITY OF WILDOMAR

WHEREAS, the City Council (the "Council") of the City of Wildomar (the "City"), on January 25, 2011, has heretofore adopted Resolution No. 2011-07, entitled "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" (the "Resolution of Intention"), stating its intention to form 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, as amended, (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California; and

WHEREAS, the Resolution of Intention set February 24, 2011 as the date of the public hearing on the formation of the District and on that date this Council opened the said Hearing as required by law; and

WHEREAS, during said public hearing all interested persons desiring to be heard on all matters pertaining to the formation of the District, the proposed services and facilities to be provided therein and the levy of the Special Taxes were heard; and

WHEREAS, during said public hearing, the Council determined to modify the Resolution of Intention (a) to eliminate Special Tax B from the special taxes to be levied within the proposed District, (b) to eliminate the financing of the facilities proposed to be financed within the proposed District, (c) to eliminate authorization for the incurrence of the proposed bonded indebtedness, (d) to direct the preparation of a rate and method of apportionment and manner of collection of the special taxes providing only for the levy within the proposed District of a special tax to finance services within the proposed District and not providing for Special Tax B, and (e) to direct each responsible City officer to prepare and file a report with the Council containing a brief description of the public services by type and an estimate of the cost of providing those public services; and

WHEREAS, said public hearing was adjourned on February 24, 2011 until the date hereof;

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. The Resolution of Intention is hereby modified in its entirety to read as follows, with Exhibit “A”, Exhibit “B” and Exhibit “C” attached hereto being substituted for the corresponding Exhibits in the Resolution of Intention:

RESOLUTION NO. 2011 - 07

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 A SPECIAL TAX 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 a special tax (the “Special Tax”) 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 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;

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 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 includes "incidental expenses," which include expenses to be incurred in connection with the determination of the amount of the levy of the Special Tax, the collection of the Special Tax including the expenses of collecting delinquencies, 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 herein is sufficiently informative to allow taxpayers within the proposed District to understand what the funds may be used to finance.

Except where funds are otherwise available, the Special Tax, 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 (including incidental expenses). The proposed rate and method of apportionment and manner of collection of the Special Tax 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 Tax is 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.

A public hearing (the "Hearing") on the establishment of Community Facilities District No. 2011-1 and the proposed Rate and Method, shall be held on February

24, 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 levy of the Special Tax 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 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 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, 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.

Section 3. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 7th day of March, 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

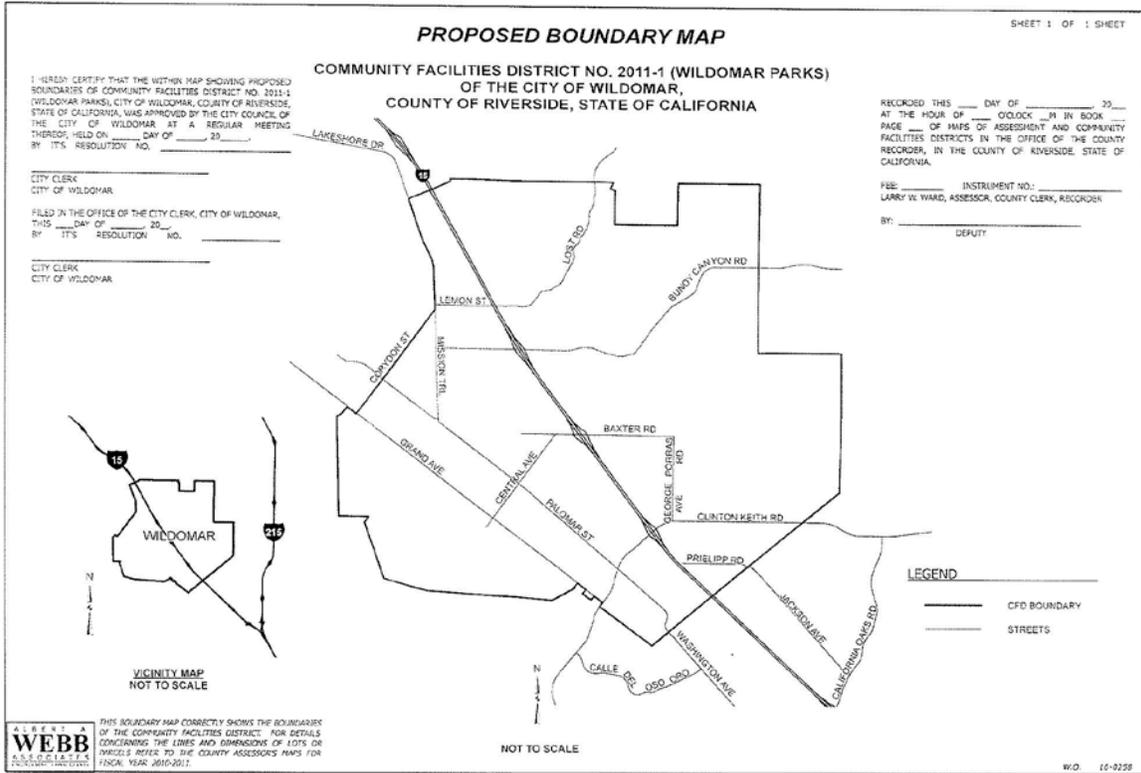


EXHIBIT "B"

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

A. The services which may be funded with proceeds of the Special Tax 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.

EXHIBIT "C"

**RATE 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 the Special Tax (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 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, the collection of Special Tax including the expenses of collecting delinquencies, 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 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” means the Special Tax 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 as defined herein.

“Maximum Special Tax” 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 Requirement. The Maximum Special Tax 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.

“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.

“Proportionately” means, for: (i) Single Family Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax 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 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 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 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 .

“Special Tax 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.

"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 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 according to the Land Use Category within CFD No. 2011-1.

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

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

Exempt Property

No Special Tax shall be levied on Exempt Property.

Annual Escalation of Special Taxes

For the Assigned Special Tax and Maximum Special 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.

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 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 the Special Tax Requirement for the Fiscal Year as follows:

(a) Special Tax 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 Rate set forth in Table 1; and

(2) Second: If additional funds are needed, the Special Tax 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 set forth in Table 1.

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 Administrator 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.

Exemption of Assessor's Parcels Owned and Occupied by Senior Citizens

The Administrator shall also classify as Exempt Property within CFD No. 2011-1 any Assessor's Parcel if the following conditions are met: (1) an application by an owner of such Assessor's Parcel is completed and submitted to the Administrator by the applicable deadline set forth below, and (2) it is established to the Administrator's satisfaction that the Assessor's Parcel is owned and occupied by a person who is at least age 62. Applications for this exemption must be in the form prescribed and made available by the City. Applications must be filed annually for each fiscal year in order for the Assessor's Parcel to be classified as Exempt Property for that fiscal year. The application deadline for the initial fiscal year is July 1, 2011. The application deadline for all subsequent fiscal years is March 1 of such fiscal year.

G. 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).

H. 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.

I. 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 to satisfy the Special Tax Requirement as long as

the City provides the Services within and for the benefit of the residents within CFD No. 2011-1.

RESOLUTION NO. 2011 - 12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS; ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR; AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID COMMUNITY FACILITIES DISTRICT; AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID COMMUNITY FACILITIES DISTRICT

WHEREAS, the City Council (the "Council") of the City of Wildomar, California (the "City"), on January 25, 2011, has heretofore adopted Resolution No. 2011-07, entitled "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" (the "Prior Resolution of Intention"), stating its intention to form 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, as amended, (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California; and

WHEREAS, a copy of the Prior Resolution of Intention, incorporating a description and map of the proposed boundaries of the District and setting forth the rates and method of apportionment and manner of collection of the special taxes, consisting of "Special Tax A" and "Special Tax B" (as such terms are defined in the Prior Resolution of Intention), then proposed to be levied within the proposed District was filed with the City Clerk; and

WHEREAS, a report by the City officer(s) who will be responsible for the District (the "Prior Report"), was filed with the Council pursuant to the Prior Resolution of Intention; and

WHEREAS, the Prior Resolution of Intention set February 24, 2011 as the date of the public hearing on the formation of the District and on that date this Council opened the said public hearing as required by law; and

WHEREAS, at said hearing all interested persons desiring to be heard on all matters pertaining to the formation of the District, the services and facilities proposed to be provided therein and the levy of the proposed Special Tax A and Special Tax B were heard, and a full and fair hearing was held; and

WHEREAS, during said public hearing, the Council determined to modify the Prior Resolution of Intention (a) to eliminate proposed Special Tax B from the special taxes to be levied within the proposed District, (b) to eliminate the financing of the facilities proposed to be financed within the proposed District, (c) to eliminate the incurrence of the proposed bonded indebtedness, (d) to include a revised rate and method of apportionment and manner of collection of the special taxes (the "Rate and Method") to reflect the elimination of Special Tax B, and (e) to direct the preparation of a report (the "Report") to reflect the elimination of Special Tax B and the financing of Facilities; and

WHEREAS, the Council adjourned and continued the public hearing to the date hereof; and

WHEREAS, at said hearing as adjourned and continued to the date hereof the Council adopted Resolution No. 2011-____, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR MODIFYING RESOLUTION NO. 2011-07 OF THE CITY COUNCIL OF THE CITY OF WILDOMAR" pursuant to which the Prior Resolution of Intention was modified as therein provided, and as so modified is referred to herein as the "Resolution of Intention"; and

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the District and setting forth the rate and method of apportionment and manner of collection of the special tax to be levied within the proposed District is on file with the City Clerk; and

WHEREAS, at said hearing as adjourned and continued to the date hereof the Report was filed with the Council as directed by the Council and is incorporated herein by this reference; and

WHEREAS, at said hearing as adjourned and continued to the date hereof the Rate and Method, in the form attached hereto as Exhibit "A" and incorporated herein by reference, setting forth the rate and method of apportionment and manner of collection of the special tax (the "Special Tax") to be levied within the proposed District was filed with the Council as directed by the Council; and

WHEREAS, at said public hearing all interested persons desiring to be heard on all matters pertaining to the formation of the District, the services and facilities proposed to be provided therein and the levy of the proposed Special Tax were heard, and a full and fair hearing was held; and

WHEREAS, at said public hearing evidence was presented to the Council on said matters before it, and this Council at the conclusion of said hearing is fully advised in the premises;

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

Section 1. That the above recitals are all true and correct.

Section 2. The Council finds and determines (which finding and determination is final and conclusive in accordance with Government Code Section 53325.1) that all proceedings up to and including the adoption of this Resolution were and are valid and in conformity with the requirements of the Act, including, without limitation, the following:

Adoption of the Resolution of Intention to establish the District;

Publication of notices of public hearing on the establishment of the District;

Conducting of a public hearing on the establishment of the District and the proposed services, at which time all interested persons were permitted to protest orally or in writing against the establishment of the District, were permitted to file written protests to the regularity or sufficiency of the proceedings, and any person interested, including persons owning property within the District, were permitted to appear and present any matters material to the questions before the Council.

Section 3. The Report, as now submitted, is hereby approved and is made a part of the record of the hearing, and is ordered kept on file with the transcript of these proceedings and open for public inspection.

Section 4. A community facilities district to be designated "Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar" ("the District") is hereby established pursuant to the Act.

Section 5. The description and map of the boundaries of the District on file in the City Clerk's office and as described in the Resolution of Intention and incorporated herein by reference, shall be the boundaries of the District. The map of the proposed boundaries of the District has been recorded in the Office of the County Recorder of Riverside County, California in Book 75, page 2 of Maps of Assessment and Community Facilities Districts (Instrument No. 2011-0056897).

Section 6. The type of public services ("Services") and incidental expenses proposed to be financed by the District and pursuant to the Act consist of those items listed in Exhibit "B" attached hereto and by this reference incorporated herein.

Section 7. Except where funds are otherwise available, the Special Tax, secured by recordation of a continuing lien against all nonexempt real property in the District, shall be levied annually within the District sufficient to pay for the Services and incidental expenses. The proposed rate and method of

apportionment and manner of collection of the Special Tax within the District is described in detail in the Rate and Method attached hereto as Exhibit "A". The Rate and Method allows each landowner within the District to estimate the maximum amount that may be levied against each parcel. In the first year in which such Special Tax is levied, the levy shall include an amount sufficient to repay the District all amounts, if any, transferred to the District pursuant to Section 53314 of the Act and interest thereon.

Section 8. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the Special Tax shall attach to all nonexempt real property in the District, and this lien shall continue in force and effect until the collection of the Special Tax by the District ceases.

Section 9. 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 the District. 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.

Section 10. Written protests against the establishment of the District, or against the furnishing of specified services or the levying of a specified special tax within the District, have not been filed by fifty percent (50%) or more of the registered voters or property owners of one-half (1/2) or more of the area of land within the District.

Section 11. The proposed Special Tax to be levied within the District has not been precluded by majority protest pursuant to Government Code Section 53324.

Section 12. The Office of the City Manager, 23873 Clinton Keith Road, Wildomar, California 92595, (951) 677-7751, or its designee, is designated to be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant to Section 53340.2 of the Government Code. The City may contract with private consultants to provide this service in lieu of the Office of the City Manager.

Section 13. Pursuant to the provisions of the Act, the proposition of the levy of the Special Tax shall be submitted to the qualified electors of the District at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Council. The qualified electors for the election to be held in these proceedings shall be the registered voters within the District.

Section 14. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 7th day of March, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

Debbie A. Lee, CMC
City Clerk

EXHIBIT "A"

**RATE 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 the Special Tax (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 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, the collection of Special Tax including the expenses of collecting delinquencies, 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 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" means the Special Tax 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 as defined herein.

“Maximum Special Tax” 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 Requirement. The Maximum Special Tax 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.

“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.

“Proportionately” means, for: (i) Single Family Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax 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 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 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 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 .

“Special Tax 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.

“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 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 according to the Land Use Category within CFD No. 2011-1.

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

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

Exempt Property

No Special Tax shall be levied on Exempt Property.

Annual Escalation of Special Taxes

For the Assigned Special Tax and Maximum Special 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.

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 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 the Special Tax Requirement for the Fiscal Year as follows:

(a) Special Tax 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 Rate set forth in Table 1; and

(2) Second: If additional funds are needed, the Special Tax 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 set forth in Table 1.

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 Administrator 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.

Exemption of Assessor's Parcels Owned and Occupied by Senior Citizens

The Administrator shall also classify as Exempt Property within CFD No. 2011-1 any Assessor's Parcel if the following conditions are met: (1) an application by an owner of such Assessor's Parcel is completed and submitted to the Administrator by the applicable deadline set forth below, and (2) it is established to the Administrator's satisfaction that the Assessor's Parcel is owned and occupied by a person who is at least age 62. Applications for this exemption must be in the form prescribed and made available by the City. Applications must be filed annually for each fiscal year in order for the Assessor's Parcel to be classified as Exempt Property for that fiscal year. The application deadline for the initial fiscal year is July 1, 2011. The application deadline for all subsequent fiscal years is March 1 of such fiscal year.

G. 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).

H. 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.

I. 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 to satisfy the Special Tax Requirement as long as the City provides the Services within and for the benefit of the residents within CFD No. 2011-1.

EXHIBIT "B"

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

A. The services which may be funded with proceeds of Special Tax 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.

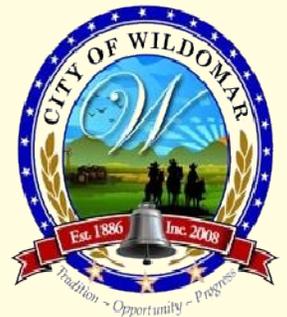
(2) Recreational programs and services.

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 A to this resolution of intention.

Community Facilities District Report

City of Wildomar
Community Facilities District No. 2011-1
(Wildomar Parks)

Prepared for



March 2011

ALBERT A.
WEBB
ASSOCIATES

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A. Background

On January 25, 2011, the City Council of the City of Wildomar adopted a Resolution of Intention to form Community Facilities District No. 2011-1 (Wildomar Parks) of the City of Wildomar, Resolution No. 2011-07, (the "Resolution of Intention"), pursuant to the provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, (the "Act").

The City of Wildomar Community Facilities District No. 2011-1 (Wildomar Parks) (the "CFD No. 2011-1") is a citywide district comprised of all parcels within the boundaries of the City of Wildomar, California. For a map showing the boundaries of CFD No. 2011-1 please see Appendix "A".

The formation of CFD 2011-1 is to provide funding for the maintenance services within the boundaries of the parks, for recreational programs and services. The City of Wildomar parks include: i) Marna O'Brien Park, located at 2505 Palomar Street, Wildomar, CA; Assessor's Parcel Nos. 368-230-001, 368-240-003, and 368-240-004 (Grant Deed Doc # 2009-0608940), ii) Regency Heritage Park located at 20171 Autumn Oaks Place, Wildomar, CA, Assessor's Parcel No. 370-500-020 (Grant Deed Doc # 2009-0608938); iii) Windsong Park located at 35459 Prairie Road, Wildomar, CA, Assessor's Parcel Nos. 376-261-001, 376-261-002, and 376-281-001 (Grant Deed Doc # 2009-0608939); and iv) a future park located at the southwest corner of Peggy Lane and Susan Road, Wildomar, CA, Assessor's Parcel Nos. 376-350-013 and 376-350-014.

At the request and direction of the officers having responsibility for the types of Services proposed to be provided by CFD No. 2011-1, the Special Tax Consultant has prepared and submits this Community Facilities District Report (the "Report") on behalf of those officers pursuant to the Resolution of Intention.

B. Purpose of Community Facilities District Report

This Report is submitted pursuant to Section 53321.5 of the Act, as well as the Resolution of Intention ordering said Report. The Act and the Resolution of Intention directs that said Report generally contain a description of the types of Services that are proposed by to be provided by CFD No. 2011-1 and funded with the proceeds of special taxes issued by CFD No. 2011-1 as permitted under the Mello-Roos Community Facilities Act of 1982. The general description of Services is in Section 2 of this Report.

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

NOW, THEREFORE, the undersigned, authorized representative of ALBERT A. WEBB ASSOCIATES, the appointed responsible officer, or person directed to prepare the Report, does hereby submit the following data:

A. Description of Services

The types of Services that are proposed by to be provided by CFD No. 2011-1 and funded with the proceeds of special taxes issued by CFD No. 2011-1 consist of services permitted under the Mello-Roos Community Facilities Act of 1982 including, without limitation;

(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 the Resolution of Intention.

The above Services shall be limited to those provided within the boundaries of CFD No. 2011-1 or for the benefit of the properties within the boundaries of CFD No. 2011-1, and said Services may be financed by proceeds of the special tax of CFD No. 2011-1 only to the extent that they are in addition to those provided in the territory of CFD No. 2011-1 before CFD No. 2011-1 was created.

It is my opinion that the above described Services and Facilities are those that are necessary to meet increased demands placed upon the City of Wildomar as a result of the existing and future demand of parks and recreational programs within the City boundaries and occurring within the CFD No. 2011-1.

Executed this 3RD day of MARCH, 2011

ALBERT A. WEBB ASSOCIATES



SPECIAL TAX CONSULTANT
CITY OF WILDOMAR
STATE OF CALIFORNIA

B. Boundaries of the Community Facilities District

The boundaries of CFD No. 2011-1 are those properties and parcels where services are authorized to be provided and upon which special taxes may be levied in order to pay for the costs and expenses of said Services and Facilities. A general description of the area within the boundaries of the CFD No. 2011-1 is attached as Appendix "A".

C. Cost Estimate

The estimated annual cost of providing such services, based upon current dollars, which is subject to escalation, is as follows: \$290,000 is the estimated cost for Fiscal Year 2011-12 for providing the services described herein. The estimate is based on the cost of actual services provided by the City of Wildomar.

This annual cost estimate is also based on the estimated cost per Benefit Unit (a Single-Family Residential Property or equivalent – as defined in the Rate and Method of Apportionment of Special Tax). The annual cost of providing such services will also increase due to inflation in costs of energy, material, supplies, and labor.

1. Marna O'Brien Park - located at 20505 Palomar Street, Wildomar, CA, is a recreation area and sports park that consists of three baseball fields with player and spectator benches, a full basketball court and 2 large multi-use soccer fields along with sports field lighting. The park also includes shelters, a granite walking trail with a fitness course stations, new tot-lot, restroom, and a concession stand.

Marna O'Brien Park Cost Estimate

Services	Cost
Utilities	
Water	\$43,109
Electrical	\$23,100
Telephone	\$610
Contracts	
Landscaping Contract	\$24,000
Maintenance Contract	\$29,280
Security Contract	\$1,700
Janitorial Contract	\$6,900
Materials	
Maintenance & Repairs	\$4,500
Doggie Bags	\$300
Backflow Certification	\$40
Bathroom Essentials	\$600
Marna O'Brien Total	\$134,139

2. Regency Heritage Park - located at 20171 Autumn Oaks Place, Wildomar, CA, is a neighborhood park with a kid's play area and a tot lot. The park is also encompassed by two basketball courts, a granite walkway, picnic shelters and park benches. Regency Heritage Park will also include a dog park with a fenced walkway. The estimated cost for services is as follows:

Regency Heritage Park
Cost Estimate

Services	Cost
Utilities	
Water	\$14,300
Electrical	
Telephone	
Contracts	
Landscaping Contract	\$11,400
Maintenance Contract	\$10,560
Security Contract	\$1,700
Janitorial Contract	
Materials	
Maintenance & Repairs	\$2,000
Doggie Bags	\$300
Backflow Certification	\$40
Bathroom Essentials	
Regency Heritage Park Total	\$40,300

3. Windsong Park - located at 35459 Prairie Road, Wildomar, CA is a neighborhood park that includes a walkway, around the perimeter, picnic tables, pavilions, tot-lot and basketball court. The estimated cost for services is as follows:

Windsong Park Cost Estimate

Services	Cost
Utilities	
Water	\$14,300
Electrical	\$2,400
Telephone	
Contracts	
Landscaping Contract	\$10,200
Maintenance Contract	\$8,160
Security Contract	\$1,700
Janitorial Contract	
Materials	
Maintenance & Repairs	\$2,000
Doggie Bags	\$300
Backflow Certification	\$40
Bathroom Essentials	
Windsong Park Total	\$39,100.00

Cost Estimate Summary

Marna O'Brien Park Total	\$134,139
Regency Heritage Park Total	\$40,300
Windsong Park Total	\$39,100
Subtotal	\$213,539
Department Services Staffing	\$16,000
Administration	\$20,000
Park Programs	\$40,000
Total	\$289,539

D. Rate and Method of Apportionment of Special Tax

1. The Resolution of Intention generally sets forth the rate and method of apportionment of the special tax to allow each landowner or resident within the District to estimate the annual amount of special tax that will be required.

2. The rate and method of apportioning the special tax that will be levied on parcels of taxable property within CFD No. 2011-1 and that will fund the Special Tax Requirement, as those terms are defined in the Rate and Method of Apportionment of Special Tax and were incorporated in the Resolution of Intention and are also part of the Resolution forming CFD No. 2011-1. The rate and method of apportionment of the special tax allow each property owner within CFD No. 2011-1 to estimate the maximum annual special tax on a given parcel of property.

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

Land Use Category	Benefit Unit Assignment	Assigned Special Tax Rate	Maximum Special Tax 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

The Special Tax is to pay for the cost of maintenance services. The Maximum Rate for the Special Tax is \$28 per BU, which is a \$5 increase above the assigned Special Tax, and would be levied once the future park has been equipped for use by the community. The Special Tax will escalate by the increase of CPI, Consumer Price Index, and will be levied for as long as services are provided.

E. Exemption of Assessor's Parcels Owned and Occupied by Senior Citizens

The Administrator shall also classify as Exempt Property within CFD No. 2011-1 any Assessor's Parcel if the following conditions are met: (1) an application by an owner of such Assessor's Parcel is completed and submitted to the Administrator by the applicable deadline set forth below, and (2) it is established to the Administrator's satisfaction that the Assessor's Parcel is owned and occupied by a person who is at least age 62. Applications for this exemption must be in the form prescribed and made available by the City. Applications must be filed annually for each fiscal year in order for the Assessor's Parcel to be classified as Exempt Property for that fiscal year. The application deadline for the initial fiscal year is July 1, 2011. The application deadline for all subsequent fiscal years is March 1 of such fiscal year

F. Manner of Collection

The special tax shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties and interest, in any case of delinquency, as applicable for ad valorem taxes.

For particulars as to the rates and method of apportionment, see Appendix "C".

It is my opinion that the special tax rates and method of apportionment, as above set forth, is fair and equitable, uniformly applied, and not discriminatory or arbitrary.

Executed this 3RD day of MARCH, 2011

ALBERT A. WEBB ASSOCIATES



SPECIAL TAX CONSULTANT
CITY OF WILDOMAR
STATE OF CALIFORNIA

Appendix A

Proposed Boundary Map

A L B E R T A .

WEBB

A S S O C I A T E S

PROPOSED BOUNDARY MAP

COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS) OF THE CITY OF WILDOMAR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2011-1 (WILDOMAR PARKS), CITY OF WILDOMAR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF WILDOMAR AT A SPECIAL MEETING THEREOF HELD ON 25th DAY OF Jan., 2011.
BY ITS RESOLUTION NO. 2011-07

Devin A. Lee
CITY CLERK
CITY OF WILDOMAR

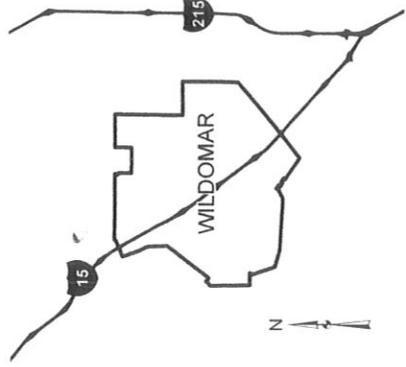
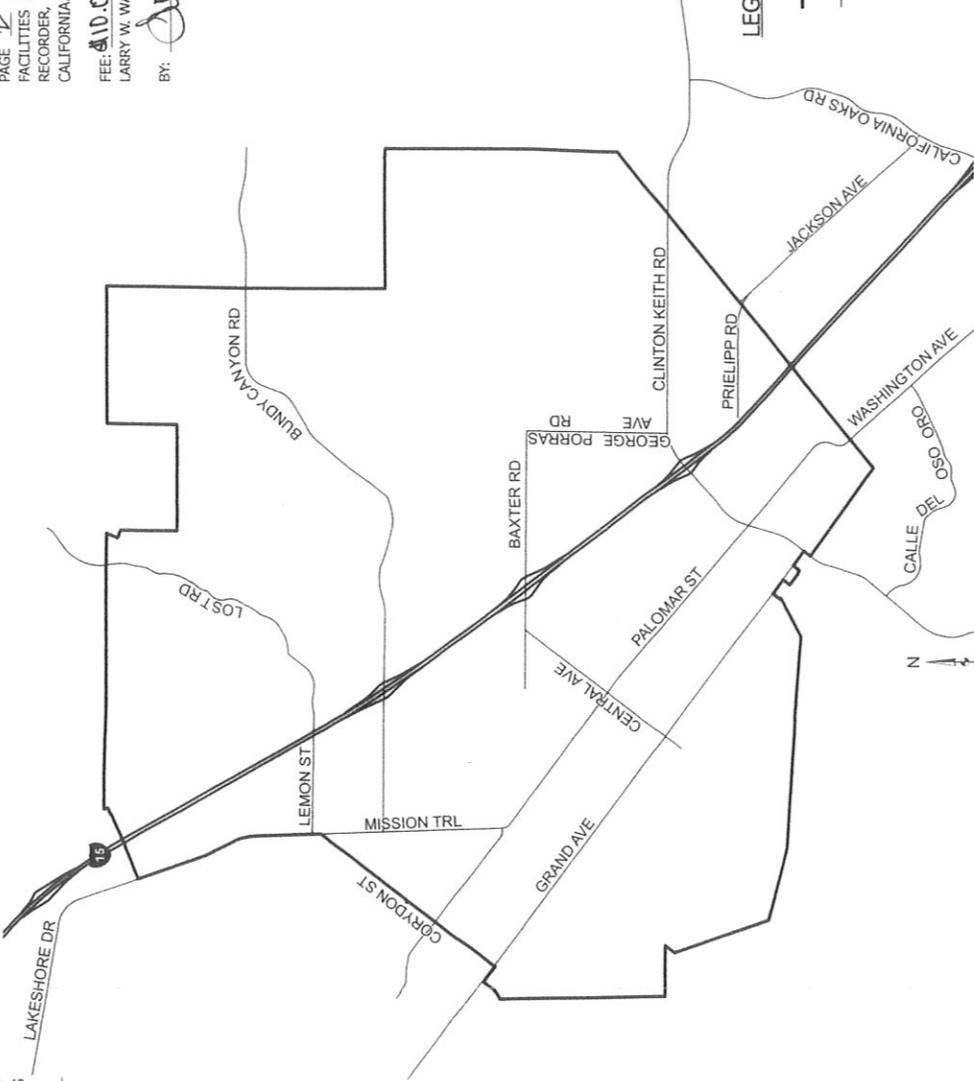
FILED IN THE OFFICE OF THE CITY CLERK, CITY OF WILDOMAR, THIS 25th DAY OF Jan., 2011.
BY ITS RESOLUTION NO. 2011-07

Devin A. Lee
CITY CLERK
CITY OF WILDOMAR

RECORDED THIS 4th DAY OF February, 2011, AT THE HOUR OF 9:17 O'CLOCK A.M. IN BOOK 15 PAGE 2 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

BY: *Devin A. Lee*
DEPUTY

FEE: \$10.00 INSTRUMENT NO.: 2011-0056897
LARRY W. WARD, ASSESSOR, COUNTY CLERK, RECORDER



VICINITY MAP
NOT TO SCALE

NOT TO SCALE

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT. FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2010-2011.

ALBERT A. WEBB
ASSOCIATES
PLANNING CONSULTANTS

Appendix B

Rates and Method of Apportionment

**RATE 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 the Special Tax (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 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, the collection of Special Tax including the expenses of collecting delinquencies, 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 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" means the Special Tax 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 as defined herein.

"Maximum Special Tax" 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 Requirement. The Maximum Special Tax 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.

"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.

"Proportionately" means, for: (i) Single Family Property, that the ratio of the actual Special Tax levy per Benefit Unit to the Assigned Special Tax 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 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 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 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 .

“Special Tax 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.

"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 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 according to the Land Use Category within CFD No. 2011-1.

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

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

Exempt Property

No Special Tax shall be levied on Exempt Property.

Annual Escalation of Special Taxes

For the Assigned Special Tax and Maximum Special 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.

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 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 the Special Tax Requirement for the Fiscal Year as follows:

(a) Special Tax 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 Rate set forth in Table 1; and

(2) Second: If additional funds are needed, the Special Tax 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 set forth in Table 1.

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 Administrator 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.

Exemption of Assessor's Parcels Owned and Occupied by Senior Citizens

The Administrator shall also classify as Exempt Property within CFD No. 2011-1 any Assessor's Parcel if the following conditions are met: (1) an application by an owner of such Assessor's Parcel is completed and submitted to the Administrator by the applicable deadline set forth below, and (2) it is established to the Administrator's satisfaction that the Assessor's Parcel is owned and occupied by a person who is at least age 62. Applications for this

exemption must be in the form prescribed and made available by the City. Applications must be filed annually for each fiscal year in order for the Assessor's Parcel to be classified as Exempt Property for that fiscal year. The application deadline for the initial fiscal year is July 1, 2011. The application deadline for all subsequent fiscal years is March 1 of such fiscal year.

G. 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).

H. 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.

I. 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 to satisfy the Special Tax Requirement as long as the City provides the Services within and for the benefit of the residents within CFD No. 2011-1.

Appendix C

Resolution of Intention No. 2011-07

RESOLUTION NO. 2011 - 07

**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 24, 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

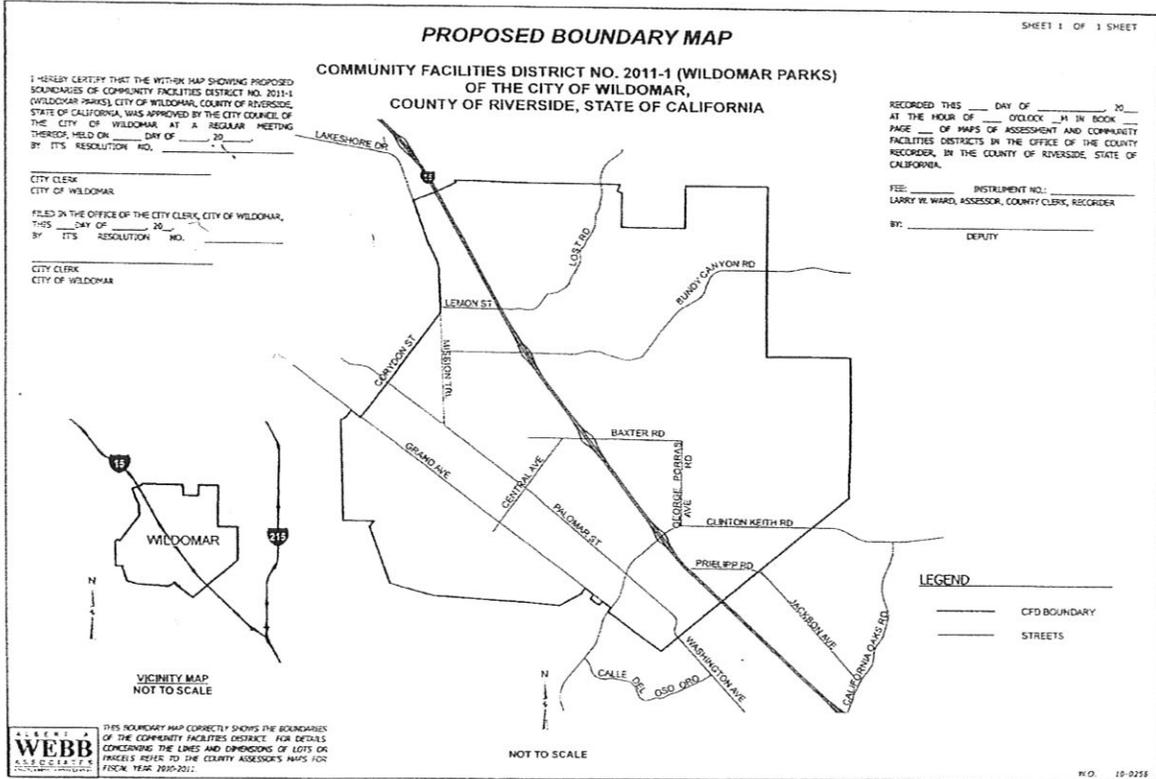


EXHIBIT "B"

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):

		Payoff Amount
plus		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.

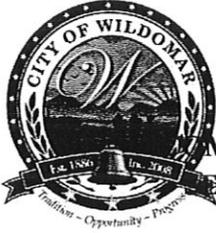


Exhibit D

**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. ____.

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

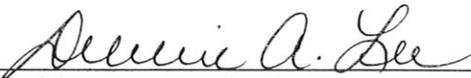
I, Debbie A. Lee, CMC, City Clerk of the City of Wildomar, California, do hereby certify that the foregoing Resolution No. 2011 - 07 was duly adopted at a special meeting held on January 25, 2011, by the City Council of the City of Wildomar, California, by the following vote:

AYES: Mayor Swanson, Mayor Pro Tem Benoit, Council Members Cashman, Moore, Walker

NOES: None

ABSTAIN: None

ABSENT: None



Debbie A. Lee, CMC
City Clerk
City of Wildomar

CITY OF WILDOMAR – COUNCIL
Agenda Item #3.1
GENERAL BUSINESS
Meeting Date: March 7, 2011

TO: Mayor and City Council Members

FROM: Debbie A. Lee, City Clerk

SUBJECT: Council Sponsored Measure for June 7, 2011 Special Municipal Election – Formation of Community Facilities District No. 2011-1 (Cont. from 02-24-11)

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council adopt one of the following options:

OPTION 1 (Tax A & Tax B)

1. Adopt a Resolution entitled:

RESOLUTION NO. 2011 - 13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, CALLING FOR THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 7, 2011, FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 2011-1 AND REQUESTING THE COUNTY TO CONSOLIDATE THE ELECTION WITH THE STATEWIDE ELECTION TO BE HELD ON THAT DATE

And

2. Adopt a Resolution entitled:

RESOLUTION NO. 2011 - 14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, AUTHORIZING AND SETTING PRIORITIES FOR FILING OF WRITTEN ARGUMENTS REGARDING THE BALLOT MEASURE TO BE PLACED ON THE BALLOT FOR THE JUNE 7, 2011 SPECIAL ELECTION; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE; AND REPEALING RESOLUTION NO. 09-53

OPTION 2 (Tax A only)

1. Adopt a Resolution entitled:

RESOLUTION NO. 2011 - 13
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, CALLING FOR THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 7, 2011, FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 2011-1 AND REQUESTING THE COUNTY TO CONSOLIDATE THE ELECTION WITH THE STATEWIDE ELECTION TO BE HELD ON THAT DATE

And

2. Adopt a Resolution entitled:

RESOLUTION NO. 2011 - 14
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, AUTHORIZING AND SETTING PRIORITIES FOR FILING OF WRITTEN ARGUMENTS REGARDING THE BALLOT MEASURE TO BE PLACED ON THE BALLOT FOR THE JUNE 7, 2011 SPECIAL ELECTION; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE; AND REPEALING RESOLUTION NO. 09-53

DISCUSSION:

At the adjourned regular meeting of February 24, 2011, the City Council opened the public hearing and received public testimony regarding the proposed CFD No. 2011-1 (Wildomar Parks). After hearing the testimony and discussing various options, the City Council continued the public hearing to March 7. Because the public hearing was continued, the Resolutions relating to calling the election were also continued.

The previous item on this agenda was the continued public hearing regarding CFD 2011-1 (Wildomar Parks). Now that the decision is made as to what the Council will present to the voters, the Council will need to call the election.

As with the previous item, there are two options to choose from. If the Council has decided to take Tax A and Tax B to the voters, then the Council will need to choose Option A in this report. If the Council has decided to take Tax A only to the voters, then the Council will need to choose Option B in this report.

The first Resolution in both options provides for the calling of said election, requesting consolidation of the election with the state-wide election, and

requesting the County of Riverside Registrar of Voters to conduct the election. The only difference between the two is the ballot language.

The second Resolution in both options authorizes and sets the priorities for filing of written arguments regarding the measure. Again, the only difference between the two is the ballot language.

Additionally, in Section 3, the Council can appoint a subcommittee of two Council Members to write the ballot argument, and rebuttal if necessary. The Council may choose to appoint those two members at this meeting.

There will be deadlines which concern the City Attorney's impartial analysis of the Measure and the arguments that may be submitted. Those deadlines are as follows:

City Attorney's impartial analysis – Monday, March 21, 2011, 5:00 p.m.

Primary arguments - Monday, March 21, 2011, 5:00 p.m.

Rebuttal arguments - Thursday, March 31, 2011, 5:00 p.m.

Primary Arguments shall not exceed 300 words, and rebuttals shall not exceed 250, and both shall be accompanied by a Statement of Authors form which is available at the City Clerk's Office. No more than five authors may sign the statement.

Submitted by:

Approved by:

Debbie Lee
City Clerk

Frank Oviedo
City Manager

**ATTACHMENT A
OPTION 1
(Tax A & B)**

**Calling for the
holding of a Special
Municipal Election
&
Setting priorities for
filing of written
arguments**

RESOLUTION NO. 2011 - 13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, CALLING FOR THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 7, 2011, FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 2011-1 AND REQUESTING THE COUNTY TO CONSOLIDATE THE ELECTION WITH THE STATEWIDE ELECTION TO BE HELD ON THAT DATE

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a Special Municipal Election shall be held on June 7, 2011, for the submission to the voters at the election a question relating to formation of Community Facilities District 2011-1; and

WHEREAS, it is desirable that the special election be consolidated with the general election to be held on the same date (June 7, 2011) and that within the City the precincts, polling places and election officers of the elections be the same, and that the county election department of the County of Riverside canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election; and

WHEREAS, the City Council requests the Registrar of Voters, County of Riverside, to consolidate this Special Election with the Statewide General Election to be held on June 7, 2011 and conduct the Special Consolidated Election.

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

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Wildomar, California, on Tuesday, June 7, 2011, a Special Municipal Election for the purpose of submitting to the voters the following question:

Shall Community Facilities District 2011-1 (Wildomar Parks) of the City of Wildomar be formed and authorized to: levy Special Tax A at a maximum rate of \$28 per benefit unit to provide park maintenance services; incur bonded indebtedness not exceeding \$5,000,000 to finance the purchase of park facilities and land; levy Special Tax B at a maximum rate of \$17 per benefit unit to finance that indebtedness; establish a District appropriations limit of \$5,000,000?	Y E S
	N O

SECTION 2. That the proposed complete text of the measure submitted to the voters is attached as Exhibit A.

SECTION 3. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 4. That the County of Riverside Registrar of Voters is requested and authorized, instructed, and directed to procure and furnish any and all official ballots, notices, printed

matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 5. That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

SECTION 6. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 7. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 9. The City Council authorizes the County of Riverside Registrar of Voters to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill by the County of Riverside.

PASSED, APPROVED AND ADOPTED this 7th day of March, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney
By: Thomas Jex
Assistant City Attorney

Debbie A. Lee, CMC
City Clerk

RESOLUTION NO. 2011 - 14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, AUTHORIZING AND SETTING PRIORITIES FOR FILING OF WRITTEN ARGUMENTS REGARDING THE BALLOT MEASURE TO BE PLACED ON THE BALLOT FOR THE JUNE 7, 2011 SPECIAL ELECTION; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE; AND REPEALING RESOLUTION NO. 09-53

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a Special Election shall be held in the City of Wildomar, California, on June 7, 2011, at which there will be submitted to the voters the following measure:

MEASURE _____

Shall Community Facilities District 2011-1 (Wildomar Parks) of the City of Wildomar be formed and authorized to: levy Special Tax A at a maximum rate of \$28 per benefit unit to provide park maintenance services; incur bonded indebtedness not exceeding \$5,000,000 to finance the purchase of park facilities and land; levy Special Tax B at a maximum rate of \$17 per benefit unit to finance that indebtedness; establish a District appropriations limit of \$5,000,000?	YES
	NO

WHEREAS, pursuant to the provisions of Elections Code 9282, the City Council wishes to establish priorities for the selection of ballot arguments to be placed on the ballot at any special or general election and to direct the City Attorney to prepare impartial analyses of each Measure.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1.

No more than one argument for or against any measure placed on the ballot by the City Council shall appear in the ballot materials at any special or general election.

SECTION 2.

- A. The order of selection of arguments for or against City measures placed on the ballot at any special or general election shall be as follows:
1. Arguments or rebuttal arguments authorized by the City Council on behalf of the City;
 2. Arguments or rebuttal arguments submitted by members of the City Council on their own behalf;
 3. Arguments or rebuttal arguments submitted by bona fide community organizations or groups of citizens in Wildomar;
 4. Arguments or rebuttal arguments submitted by any bona fide community organization or group of citizens and other individual voters within the City of Wildomar;
 5. Arguments or rebuttal arguments submitted by any voter eligible to vote on any ballot measure.
- B. Arguments for or against any measure shall not exceed 300 words in length.

SECTION 3.

On behalf of the entire City Council, a subcommittee comprised of two Council Members can be designated to prepare and file a written argument, accompanied by the printed names and signatures submitting it, in accordance with article 4, Chapter 3, Division 9 of the elections Code of the State of California and to change the argument until and including the date fixed by the City Clerk after which no arguments for or against the City measure may be submitted to the City Clerk.

SECTION 4.

The arguments shall be filed with the City Clerk, signed, with the printed names and signatures of the authors submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the Form of Statement to Be Filed by Author.

SECTION 5.

The City Council Directs the City Clerk to transmit a copy of the measure to the City Attorney, who shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The Impartial Analysis shall be filed by the date set by the City Clerk for the filing of the primary arguments.

SECTION 6.

Resolution No. 09-53 is hereby repealed in its entirety.

SECTION 7.

The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED this 24th day of February, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney

By: Thomas Jex
Assistant City Attorney

Debbie A. Lee, CMC
City Clerk

**ATTACHMENT B
OPTION 2
(Tax A only)**

**Calling for the
holding of a Special
Municipal Election
&
Setting priorities for
filing of written
arguments**

RESOLUTION NO. 2011 - 13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, CALLING FOR THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 7, 2011, FOR THE SUBMISSION TO THE VOTERS A QUESTION RELATING TO FORMATION OF COMMUNITY FACILITIES DISTRICT NO. 2011-1 AND REQUESTING THE COUNTY TO CONSOLIDATE THE ELECTION WITH THE STATEWIDE ELECTION TO BE HELD ON THAT DATE

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a Special Municipal Election shall be held on June 7, 2011, for the submission to the voters at the election a question relating to formation of Community Facilities District 2011-1; and

WHEREAS, it is desirable that the special election be consolidated with the general election to be held on the same date (June 7, 2011) and that within the City the precincts, polling places and election officers of the elections be the same, and that the county election department of the County of Riverside canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election; and

WHEREAS, the City Council requests the Registrar of Voters, County of Riverside, to consolidate this Special Election with the Statewide General Election to be held on June 7, 2011 and conduct the Special Consolidated Election.

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

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Wildomar, California, on Tuesday, June 7, 2011, a Special Municipal Election for the purpose of submitting to the voters the following question:

Shall Community Facilities District 2011-1 (Wildomar Parks) of the City of Wildomar be formed and authorized to levy a Special Tax at a maximum rate of \$28 per benefit unit to provide park maintenance services?	Y E S
	N O

SECTION 2. That the proposed complete text of the measure submitted to the voters is attached as Exhibit A.

SECTION 3. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 4. That the County of Riverside Registrar of Voters is requested and authorized, instructed, and directed to procure and furnish any and all official ballots, notices, printed

matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 5. That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

SECTION 6. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 7. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 9. The City Council authorizes the County of Riverside Registrar of Voters to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill by the County of Riverside.

PASSED, APPROVED AND ADOPTED this 7th day of March, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney
By: Thomas Jex
Assistant City Attorney

Debbie A. Lee, CMC
City Clerk

RESOLUTION NO. 2011 - 14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, AUTHORIZING AND SETTING PRIORITIES FOR FILING OF WRITTEN ARGUMENTS REGARDING THE BALLOT MEASURE TO BE PLACED ON THE BALLOT FOR THE JUNE 7, 2011 SPECIAL ELECTION; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE; AND REPEALING RESOLUTION NO. 09-53

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a Special Election shall be held in the City of Wildomar, California, on June 7, 2011, at which there will be submitted to the voters the following measure:

MEASURE _____

Shall Community Facilities District 2011-1 (Wildomar Parks) of the City of Wildomar be formed and authorized to levy a Special Tax at a maximum rate of \$28 per benefit unit to provide park maintenance services?	YES
	NO

WHEREAS, pursuant to the provisions of Elections Code 9282, the City Council wishes to establish priorities for the selection of ballot arguments to be placed on the ballot at any special or general election and to direct the City Attorney to prepare impartial analyses of each Measure.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1.

No more than one argument for or against any measure placed on the ballot by the City Council shall appear in the ballot materials at any special or general election.

SECTION 2.

- A. The order of selection of arguments for or against City measures placed on the ballot at any special or general election shall be as follows:

1. Arguments or rebuttal arguments authorized by the City Council on behalf of the City;
2. Arguments or rebuttal arguments submitted by members of the City Council on their own behalf;
3. Arguments or rebuttal arguments submitted by bona fide community organizations or groups of citizens in Wildomar;
4. Arguments or rebuttal arguments submitted by any bona fide community organization or group of citizens and other individual voters within the City of Wildomar;
5. Arguments or rebuttal arguments submitted by any voter eligible to vote on any ballot measure.

B. Arguments for or against any measure shall not exceed 300 words in length.

SECTION 3.

On behalf of the entire City Council, a subcommittee comprised of two Council Members can be designated to prepare and file a written argument, accompanied by the printed names and signatures submitting it, in accordance with article 4, Chapter 3, Division 9 of the elections Code of the State of California and to change the argument until and including the date fixed by the City Clerk after which no arguments for or against the City measure may be submitted to the City Clerk.

SECTION 4.

The arguments shall be filed with the City Clerk, signed, with the printed names and signatures of the authors submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the Form of Statement to Be Filed by Author.

SECTION 5.

The City Council Directs the City Clerk to transmit a copy of the measure to the City Attorney, who shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The Impartial Analysis shall be filed by the date set by the City Clerk for the filing of the primary arguments.

SECTION 6.

Resolution No. 09-53 is hereby repealed in its entirety.

SECTION 7.

The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED this 7th day of March, 2011.

Marsha Swanson
Mayor

APPROVED AS TO FORM:

ATTEST:

Julie Hayward Biggs
City Attorney
By: Thomas Jex
Assistant City Attorney

Debbie A. Lee, CMC
City Clerk