ORDINANCE NO. 649
(AS AMENDED THROUGH 649.2)
AN ORDINANCE OF THE COUNTY OF RIVERSIDE
AMENDING ORDINANCE NO. 649 SPECIAL TAX WITHIN CFD NO. 87.5

WHEREAS, the Board of Supervisors (the "Board") of the County of Riverside, California (the "County") adopted Resolution No. 87-525 which established the County of Riverside Community Facilities District No. 87-5 (Wild Rose) ("CFD No. 87-5") pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982" (the "Act") being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California; determined the validity of prior proceedings relative to the formation of CFD No. 87-5 and the incurring of bonded indebtedness; authorized the levy of a special tax within CFD No. 87-5 and called an election on December 15, 1987, on the propositions of incurring bonded indebtedness, levying a special tax and establishing an appropriations limit within CFD No. 87-5; and

WHEREAS, on December 22, 1987, the Board adopted Resolution No. 87-566 determining the result of said special election; and

WHEREAS, the Board adopted Ordinance No. 649 on January 5, 1988, authorizing the levy of a special tax within CFD No. 87-5 pursuant to the Rate and Method of Apportionment of Special Tax as set forth in Exhibit A, attached thereto; and

WHEREAS, the Board has heretofore on January 23, 1990, adopted Resolution No. 90-076 declaring its intent to consider an amendment to and restatement of the Rate and Method of Apportionment of Special Tax within CFD No. 87-5 as set forth in the Amended and Restated Rate and Method of Apportionment of Special Tax for Community Facilities District No. 87-5 attached to said resolution as Exhibit A and setting a public hearing thereon; and

WHEREAS, notice of said hearing was duly published and mailed as required by law as evidenced by Affidavit of Publication and Certificate of Mailing on file with the Clerk of the Board; and

WHEREAS, on February 27, 1990, the Board held a noticed public hearing as required by law relative to the proposed amendments to the Rate and Method of Apportionment of Special Tax for Community Facilities District No. 87-5; and

WHEREAS, at said hearing all persons desiring to speak were heard on all matters related to the proposed amendments to the Rate and Method of Apportionment Special Tax for Community Facilities District No. 87-5 or any other matters set forth in Resolution No. 90-076 and a full and fair hearing was held thereon; and
WHEREAS, the Board, subsequent to said hearing, adopted Resolution No. 90-119 which determined the validity of prior proceedings relative to amending the Rate and Method of Apportionment of Special Tax and called an election for March 20, 1990, on the propositions setting forth the amendments; and

WHEREAS, on March 20, 1990, an election was held within CFD No. 87-5 in which the qualified electors, being the landowners in CFD No. 87-5, approved by more than a two-thirds vote the proposition amending the Rate and Method of Apportionment of Special Tax;

WHEREAS, on April 3, 1990, the Board adopted Ordinance No. 649.1 amending Ordinance No. 649 and authorizing the levy of a special tax within CFD No. 87-5 pursuant to the Amended and Restated Rate and Method of Apportionment of Special Tax as set forth in Exhibit A, attached thereto.

NOW, THEREFORE, the Board of Supervisors of the County of Riverside ORDAINS as follows:

Section 1. The above recitals are all true and correct and this Board so finds and determines.

Section 2. Section 2 and Exhibit A of Ordinance No. 649.1 are amended by causing said Exhibit A to be deleted therefrom in its entirety and in place and stead thereof to substitute the Exhibit A attached hereto, marked as Exhibit "A", and entitled "Amended and Restated Rate and Method of Apportionment of Special Tax for Community Facilities District No. 87-5."

Section 3. Except as specifically amended by Section 2 above, all provisions of Ordinance No. 649.1 shall remain in full force and effect.

Section 4. The Chairman of the Board shall sign this ordinance and the Clerk of the Board shall attest to the Chairman's signature and then cause the same to be published within fifteen (15) days after its passage at least once in the Press-Enterprise, a newspaper of general circulation published and circulated in the County of Riverside.

Section 5. This ordinance relating to the amendment of the Rate and Method of Apportionment of Special Tax shall take effect immediately upon its final passage in accordance with the provisions of Section 25123(c) of the California Government Code, and the specific authorization for adoption is pursuant to the provisions of Section 53340 of the Act.

Adopted: 649 Item 3.4 of 01/05/1988 (Eff: Immediately)
Amended: 649.1 Item 3.13 of 04/03/1990 (Eff: immediately)
649.2 Item 3.12 of 06/05/1990 (Eff: immediately)
INTRODUCTION

A Special Tax (the "Special Tax") shall be levied on and collected from each parcel in Community Facilities District No. 87-5 (the "District") in each fiscal year, commencing July 1, 1990, in an amount determined by the Board of Supervisors (the "Board") of the County of Riverside (the "County"), acting in its capacity as the legislative body of the District in accordance with the rate and method of apportionment described below.

SPECIAL TAX LEVY

1. The Board shall determine, on or before July 1 of each fiscal year, the amount of Special Tax required to be levied in accordance with Section 502(b) of the Fiscal Agency Agreement between the District and Security Pacific National Bank, or its successors, as fiscal agent dated January 1, 1989 (the "Gross Funds Needed"), a copy of which is attached as Schedule A. For this purpose, administrative expenses shall be those expenses authorized by the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), including, but not limited to, the cost of administering the levy and collection of the Special Tax and all other administrative costs of the District.

2. On or before July 1 of each year, the officer of the County designated pursuant to Section 53340.1 of the Act (the "Designated Officer") shall determine the amount of money, if any, on deposit to reduce the Gross Funds Needed.

3. The difference between the Gross Funds Needed and the amount on deposit, as determined by the Designated Officer, as provided in Paragraph 2 above, is the amount required to be levied and collected within the District in said fiscal year as hereinafter provided (the "Required Amount"). The total revenue to be received by the District in any fiscal year from the Special Tax shall be as nearly as practicable equal to, but not less than, the Required Amount.

4. The Special Tax shall be levied on all property within the District, excluding those parcels expressly identified as exempt under Paragraph 6 below ("Exempt Parcels"); however, the Special Tax levied shall not exceed the maximum Special Tax described in Paragraph 5 below.

5. (a) For purposes of levying and collecting the Special Tax, all property within the District shall be classified as either "Developed Property" or "Undeveloped Property" and
Undeveloped Property shall be further classified as lying easterly or westerly of the Interstate-15 (I-15). Developed Property shall be defined as property within the District with respect to which a final parcel map (for property that is to be developed commercially, industrially, or for condominium use), final subdivision map for residentially developed property (excluding condominiums), or functionally equivalent instrument has been recorded in the Office of County Recorder for Riverside County on or before the March 1 preceding said fiscal year. Property shall not be defined as Developed Property, however, due to the recording of Master Tract Map No. 22335 or a final parcel map, final subdivision map or functionally equivalent instrument recorded for phasing or financing purposes, as recited in the conditions of approval of such map. All other property within the District shall be defined as Undeveloped Property.

b. Upon receipt of the local assessment roll for each fiscal year, the Designated Officer shall determine the number of net acres within each classification of Developed Property as defined by the table below. For purposes of this determination, net acres shall mean all acreage shown within the boundaries of a final parcel map, final subdivision map or functionally equivalent instrument, excluding, therefrom, all Exempt Parcels. The general type of residential product to be developed within any final parcel or subdivision map shall be the same (e.g., single family attached, single family detached, or condominium), but the general type of residential product may be different for each final subdivision map. The Designated Officer shall then determine the density in units per acre for all residentially Developed Property by dividing the number of residential units within the final parcel or subdivision map by the number of acres therein. Where the final subdivision map provides for single family detached housing, the Special Tax shall be levied on each parcel therein. Where the final subdivision or parcel map provides for attached family housing or condominiums, the Special Tax shall be levied on each residential unit. For commercially or industrially Developed Property, the Special Tax shall be levied per acre based on the number of net acres within each parcel as shown on the final parcel map. The Special Tax for each parcel or residential unit in each fiscal year, shall not be greater than the amount set forth below:

<table>
<thead>
<tr>
<th>Class</th>
<th>DENSITY RANGE (parcels or OR UNIT</th>
<th>MAXIMUM SPECIAL TAX PER PARCEL</th>
<th>MAXIMUM SPECIAL TAX PER ACRE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4.0 - 4.99</td>
<td>$1,645.00</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>5.0 - 5.99</td>
<td>$1,336.00</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>6.0 - 6.99</td>
<td>$1,062.00</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>7.0 - 7.99</td>
<td>$  911.00</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>8.0 - 8.99</td>
<td>$  819.00</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>Commercial</td>
<td>$5,500.00</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>Business Park</td>
<td>$6,600.00</td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>Industrial</td>
<td>$6,600.00</td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>Undeveloped Prop.</td>
<td>$4,780.00</td>
<td></td>
</tr>
</tbody>
</table>
If residentially Developed Property has a density which does not fall within any of the classes set forth in the table above, the Maximum Special Tax for each parcel or unit within such final subdivision or parcel map shall be determined as follows: (1) for residential property lying west of I-15 by multiplying $4,780.00 times the number of net acres indicated on said map and dividing the product by the number of single family detached residential parcels or single family attached or condominium residential units specified by said map; provided, however, that in no event shall this calculation yield a Maximum Special Tax which is less than $4,780.00 per acre; (2) for residential property lying east of I-15 by multiplying $5,060.00 times the number of net acres indicated on said map and dividing the product by the number of residential parcels or units specified by said map; provided, however, that in no event shall this calculation yield a Special Tax which is less than $5,060.00 per acre.

6. The following eight classes of parcels, which are within the District and are required by the conditions set forth in the Specific Plan 176, to be dedicated or conveyed to the indicated public agency or to the master homeowners association for Wild Rose for ownership or operation and maintenance, and utilized for the following purposes are hereby identified as exempt parcels and shall not be subject to the levy of the Special Tax:

(1) roads
(2) flood control facilities
(3) public school
(4) park\open space
(5) nature reserve\open space (125.38 gross acres)
(6) treatment plant site
(7) neighborhood park
(8) undevelopable slopes

Where such property has not been dedicated or conveyed to a public agency at the time the District is formed, the exemption shall be extended to property that is identified by Specific Plan No. 176 to be utilized for any of the purposes listed above, including any amendments thereto and any approved improvement plans.

METHOD OF APPORTIONMENT

In each fiscal year, the Board shall first determine the share of the Required Amount needed from property lying West of I-15 by multiplying the Required Amount by 72.1%, which product will equal the property's share of the Required Amount. Next, the Board shall determine the share of the Required Amount needed from property lying east of I-15 by multiplying the Required Amount by 27.9%, which product will equal such property's share of the Required Amount. The Board shall then levy the Special Tax on all Developed Property
lying west of I-15, exclusive of Exempt Parcels at the Maximum Special Tax set forth in Paragraph 5 above. To the extent such levy will not yield revenues sufficient to meet the share of the Required Amount for property lying west of I-15, the Board shall levy the Special Tax on all Undeveloped Property lying west of I-15, exclusive of Exempt Parcels therein, uniformly on a dollar per acre basis, to bring the total Special Tax revenues up to the share of the Required Amount for such property. The Board shall then levy the Special Tax on all Developed Property lying east of I-15, exclusive of Exempt Parcels, at the Maximum Special Tax set forth in Paragraph 5 above. To the extent such levy will not yield revenues sufficient to meet the share of the Required Amount for property lying west of I-15, the Board shall levy the Special Tax on all Undeveloped Property lying west of I-15, exclusive of Exempt Parcels, uniformly on a dollar per acre basis, to bring the total Special Tax revenues up to the share of the required Amount for such property. To the extent the levy on all Developed Property at the Maximum Special Tax yields more than the respective share of the Required Amount from property lying west of I-15 or property lying east of I-15, the Board shall, on a pro rata basis, reduce the Special Tax levy on all parcels on property lying west of I-15 and, similarly, on a pro rata basis, reduce the Special Tax levy on all parcels on property lying east of I-15.

MANNER OF COLLECTION

The Special Tax shall be collected in the same manner as ad valorem property taxes.

REVIEW PANEL

The Board shall establish, as part of the proceedings and administration of the District, a special three-member review panel (the "Review Panel"). The Review Panel shall review and make recommendations to the Board concerning the levy and administration of the Special Tax.

SCHEDULE A

Excerpt from the Fiscal Agency Agreement dated as of January 1, 1989, between the District and Security Pacific National Bank, its successors and assigns, as fiscal agent

Section 5.02. Covenants. So long as any of the Bonds are Outstanding and unpaid, the District makes the following covenants with the Bond owners under the provisions of the Act and this Agreement (to be performed by the District or its proper officers, agents or employees), which covenants are necessary, convenient and desirable to secure the Bonds and tend to make them more marketable; provided, however, that said covenants to not require the District to expend any funds or moneys other than Special Taxes:
(b) **Levy of Special Tax.** Commencing with Fiscal Year 1989-1990, the Board of Supervisors of the County, on behalf of the District, shall levy the Special Tax in an amount sufficient to pay the principal of and interest on the Bonds, any Additional Bonds and the Administrative Expenses and any amounts required to maintain the Bond Reserve Fund at the Reserve Requirement so long as any Bonds are Outstanding; provided, that the amount of the Special Tax shall not exceed the amount specified in the Ordinance.

Definitions of capitalized terms in the excerpt quoted above


"Additional Bonds" means all bonds, notes or other similar evidences of indebtedness payable on a parity with the Bonds under the Agreement.

"Administrative Expenses" means the fees and expenses of the fiscal agent and certain persons employed by the fiscal agent under the Agreement, and the administrative costs with respect to the calculation and collection of the Special Taxes, or costs otherwise incurred by the County staff on behalf of the District in order to carry out the purposes of the District.


"Bond Reserve Fund" means the fund by that name established and held under the Agreement.

"Bonds" means the Community Facilities District No. 87-5 of the County of Riverside, State of California, Special Tax Bonds, Series 1989.

"Bondowners" means the County of Riverside, California.

"District" means Community Facilities District No. 87-5 of the County of Riverside, State of California.

"Fiscal Year" means the fiscal year of the District, currently July 1 through June 30.

"Ordinance" means Ordinance No. 649 adopted by the legislative body of the District providing for the levying of the Special Tax, as amended.

"Outstanding" Means, with reference to Bonds, all Bonds issued and not paid or deemed paid within the meaning of the Agreement, as more fully described therein.
"Reserve Requirement" means the amount described in the Agreement which is required to be held in the Bond Reserve Fund to secure payment of the Bonds.