A Special Tax as hereinafter defined shall be levied on all Assessor’s Parcels in Community Facilities District No. 4 - Maintenance of the City of Moreno Valley (“CFD No. 4M”) and collected each Fiscal Year commencing in Fiscal Year 2006-07, in an amount determined by the City Council through the application of the appropriate Special Tax for “Developed Property” and “Undeveloped Property” as described below. All of the real property in CFD No. 4M shall be taxed for the purposes, to the extent and in the manner herein provided, except property defined as Exempt Property and subject to Section E below.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:


“Administrative Expenses” means the following actual or reasonably estimated costs directly related to the administration of CFD No. 4M: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs to the City, CFD No. 4M or any designee thereof related to any appeal of the Special Tax; the costs associated with the release of funds from an escrow or appeals account, including appraisal costs; and the City’s annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated by the CFD Administrator or advanced by the City or CFD No. 4M for any other administrative purposes of CFD No. 4M, including attorney’s fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

“Annual Construction Inflation Index” means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year, which ends in the previous Fiscal Year. In the event this index ceases to be published, the inflation index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

“Assessor’s Parcel” means a parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel Number.

“Assessor’s Parcel Map” means an official map of the Assessor of the County designating parcels by Assessor’s Parcel Number.
“CFD Administrator” means the Enterprise Services Manager of the City of Moreno Valley, or designee thereof, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“CFD No. 4M” means Community Facilities District No. 4 - Maintenance of the City of Moreno Valley.

“CFD Public Facilities” means those public facilities authorized to be maintained by CFD No. 4M.

“CFD Public Facilities Costs” means either $35,000, indexed annually by the Annual Construction Inflation Index, or such lower number as shall be determined by the CFD Administrator as sufficient to finance the maintenance of CFD No. 4M public facilities.

“City” means the City of Moreno Valley.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 4M.

“County” means the County of Riverside.

“Final Map” means a final map or parcel map, or portion thereof, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates individual lots for which building permits may be issued.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Land Area” means the square footage of land on a Parcel, excluding rights-of-way, as shown on the applicable final map, parcel map, condominium plan, or other recorded parcel map or if the Land Area is not shown on said map, the Land Area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, excluding rights-of-way. If the Land Area is presented in acreage, then the square footage equals the acreage multiplied by 43,560 (square footage per acre).

“Maintenance Fund” means the fund that is used to disburse funds to pay the cost to maintain public flood control improvements funded with bond proceeds or Special Taxes within the boundaries of CFD No. 4M.

“Parcel” means the land that corresponds to the descriptions shown in Exhibit “A” attached hereto and incorporated herein.

“Property”: “Developed Property” means for each Fiscal Year, all Taxable Property not otherwise classified as Undeveloped Property or for which a building permit for new construction was issued prior to March 1 of the prior Fiscal Year.
“Exempt Property” means any property not subject to Special Tax as described under Section E, herein.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 4M, which are not classified as Exempt Property from the Special Tax pursuant to law or Section E, herein.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property.

“Proportionately” means the ratio of the Annual Special Tax Requirement to the total of the Maximum Annual Special Taxes for Developed Property plus the Maximum Annual Special Taxes for Undeveloped Property.

“State” means the State of California.

“Tax”:  

“Annual Special Tax Requirement” means that amount required in any Fiscal Year for CFD No. 4M to pay the CFD Public Facilities Costs and Administrative Expenses. In arriving at the Annual Special Tax Requirement, the CFD Administrator shall take into account the reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and shall give a credit for funds available to reduce the Special Tax levy.

“Maximum Annual Special Tax” means the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year on any Assessor’s Parcel.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property and Undeveloped Property to fund the Annual Special Tax Requirement.

B. CLASSIFICATION OF PROPERTIES

Each Fiscal Year, all Property within CFD No. 4M shall be classified as Developed Property, Undeveloped Property or Exempt Property and shall be subject to the Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D.
C. SPECIAL TAX RATE

1. Developed Property

   a. **Maximum Annual Special Tax**

      The Maximum Annual Special Tax for each Assessor’s Parcel shall be $0.007370 per square foot of Land Area for Fiscal Year 2006-07 and shall increase each year thereafter, commencing on July 1, 2007 and on July 1 of each Fiscal Year thereafter, by an amount equal to the Annual Construction Inflation Index increase. A summary of the Maximum Annual Special Tax for FY 2006-07 is shown below:

2. Undeveloped Property

   a. **Maximum Annual Special Tax**

      The Maximum Annual Special Tax for each Assessor’s Parcel shall be $0.007370 per square foot of Land Area for Fiscal Year 2006-07 and shall increase each year thereafter, commencing on July 1, 2007 and on July 1 of each Fiscal Year thereafter, by an amount equal to the Annual Construction Inflation Index increase.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2006-07 and for each following Fiscal Year, the City Council shall levy the Maximum Annual Special Tax until the amount of Special Taxes levied equals the Annual Special Tax Requirement. The Maximum Annual Special Tax shall be levied each Fiscal Year as follows:

The Maximum Annual Special Tax shall be levied Proportionately on each Assessor’s Parcel of Developed Property and Undeveloped Property at up to 100% of the applicable Maximum Annual Special Tax.

E. EXEMPTIONS

The City Council shall classify as Exempt Property: (i) Assessor’s Parcels owned by the State of California, Federal or other local governments; (ii) Assessor’s Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization; (iii) Assessor’s Parcels used exclusively by a homeowners association; (iv) Assessor’s Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement; and (v) any other Assessor’s Parcels at the reasonable discretion of the City Council.
F.  MANNER OF COLLECTION

The Maximum Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 4M may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor’s Parcels as permitted by the Act.

G.  TERM OF SPECIAL TAX

The Maximum Annual Special Tax shall be levied on Developed and Undeveloped Property in perpetuity from the Fiscal Year after which the tax is first levied, unless sooner rescinded by the City Council.

H.  APPEALS

Any landowner who feels that the amount of the Special Tax levied on their Assessor’s Parcel is in error may submit a written appeal to CFD No. 4M. The CFD Administrator shall review the appeal and if the CFD Administrator concurs, the amount of the Special Tax levied shall be appropriately modified.

The City Council may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner appeals. Any decision of the City Council shall be final and binding as to all persons.
EXHIBIT “A”
PROPERTY DESCRIPTION OF PARCELS WITHIN
COMMUNITY FACILITIES DISTRICT NO. 4 - MAINTENANCE

PARCEL 1/PORTION OF APN# 297-170-007:

A PARCEL OF LAND IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA INCLUDED WITHIN LOT 6, BLOCK 242 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, WHICH LIES WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 6; THENCE ALONG THE WESTERLY LINE OF SAID LOT 6 NORTH 00°25’46" EAST 660.16 FEET TO THE NORTHWEST CORNER OF SAID LOT 6; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 6 SOUTH 89°34’17" EAST 300.21 FEET; THENCE SOUTH 00°27’30" WEST 660.17 FEET TO THE SOUTHERLY LINE OF SAID LOT 6; THENCE ALONG SAID SOUTHERLY LINE NORTH 89°34’09" WEST 299.87 FEET TO THE POINT OF BEGINNING.

EXCLUDING THAT PORTION LYING WITHIN BRODIAEA AVENUE.

PARCEL 2/PORTION OF APN# 297-170-007:

A PARCEL OF LAND IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA INCLUDED WITHIN LOT 6, BLOCK 242 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, WHICH LIES WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 6; THENCE ALONG THE WESTERLY LINE OF SAID LOT 6 NORTH 00°25’46" EAST 660.16 FEET TO THE NORTHWEST CORNER OF SAID LOT 6; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 6 SOUTH 89°34’17" EAST 300.21 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE SOUTH 89°34’17" EAST 359.91 FEET TO THE NORTHEAST CORNER OF SAID LOT 6; THENCE ALONG THE EASTERLY LINE OF SAID LOT 6 SOUTH 00°25’48" WEST 660.18 FEET TO THE SOUTHEAST CORNER OF SAID LOT 6; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 6 NORTH 89°34’09" WEST 360.24 FEET TO A LINE THAT BEARS SOUTH 00°27’30" WEST FROM THE POINT OF BEGINNING; THENCE ALONG SAID LINE NORTH 00°27’30" EAST 660.17 FEET TO THE POINT OF BEGINNING.

EXCLUDING THAT PORTION LYING WITHIN BRODIAEA AVENUE.
PARCEL 3/APN# 297-170-006:

LOT 7, BLOCK 242 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY LOCATED IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

EXCLUDING THAT PORTION LYING WITHIN BRODIAEA AVENUE.

PARCEL 4/APN# 297-170-013, 014, 030 & 031:

LOTS 1, 2, 7 AND 8, BLOCK 259 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY LOCATED IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

EXCLUDING THOSE PORTIONS LYING WITHIN BRODIAEA AVENUE, GRAHAM STREET AND CACTUS AVENUE.

PARCEL 5/APN# 297-170-033:

LOT 4, BLOCK 260 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY LOCATED IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

EXCLUDING THOSE PORTIONS LYING WITHIN BRODIAEA AVENUE AND GRAHAM STREET.

PARCEL 6/PORTIONS OF APN# 297-170-023 & 025 and 297-190-005:

A PARCEL OF LAND IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA INCLUDED WITHIN LOTS 2, 3, 6 AND 7, BLOCK 260 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, WHICH LIES WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:
BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 3; THENCE ALONG THE NORTHERLY LINES OF SAID LOTS 2 AND 3 SOUTH 89°34'31" EAST 950.22 FEET TO A POINT THAT BEARS NORTH 89°34'31" WEST 369.97 FEET ALONG SAID NORTHERLY LINE OF LOT 2 FROM THE NORTHEAST CORNER OF SAID LOT 2; THENCE SOUTH 00°26'28" WEST 1,320.24 FEET TO THE CENTERLINE OF CACTUS AVENUE; THENCE ALONG SAID CENTERLINE NORTH 89°35'02" WEST 949.99 FEET TO THE WESTERLY LINE OF SAID LOT 6; THENCE ALONG SAID WESTERLY LINE AND THE WESTERLY LINE OF SAID LOT 3 NORTH 00°25'52" EAST 1,320.38 FEET TO THE POINT OF BEGINNING.

EXCLUDING THOSE PORTIONS LYING WITHIN BRODIAEA AVENUE AND CACTUS AVENUE.

PARCEL 7/PORTIONS OF APN# 297-170-023 & 041:

A PARCEL OF LAND IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA INCLUDED WITHIN LOTS 1, 2 AND 8, BLOCK 260 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, WHICH LIES WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID LOT 1 AND A LINE PARALLEL WITH AND 83.50 FEET WESTERLY, MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF HEACOCK STREET, SAID PARALLEL LINE ALSO BEING THE WESTERLY RIGHT OF WAY LINE OF HEACOCK CHANNEL; THENCE ALONG SAID PARALLEL LINE SOUTH 00°25'53" WEST 1,046.73 FEET; THENCE NORTH 35°07'47" WEST 501.39 FEET TO A LINE PARALLEL WITH AND 285.00 FEET EASTERLY, MEASURED AT RIGHT ANGLES FROM THE WESTERLY LINE OF SAID LOT 1; THENCE ALONG SAID PARALLEL LINE NORTH 00°25'53" EAST 85.97 FEET; THENCE NORTH 35°07'47" WEST 163.67 FEET; THENCE NORTH 89°33'32" WEST 61.47 FEET; THENCE NORTH 35°07'47" WEST 467.90 FEET TO A LINE PARALLEL WITH AND 39.00 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHERLY LINE OF SAID LOT 2; THENCE NORTH 00°25'29" EAST 39.00 FEET TO THE NORTHERLY LINE OF SAID LOT 2; THENCE ALONG THE NORTHERLY LINES OF SAID LOTS 1 AND 2 SOUTH 89°34'31" EAST 720.37 FEET TO THE POINT OF BEGINNING.

EXCLUDING THAT PORTION LYING WITHIN BRODIAEA AVENUE.

PARCEL 8/PORTIONS OF APN# 297-170-023, 025 & 041:

A PARCEL OF LAND IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA INCLUDED WITHIN LOTS 1, 2, 7 AND 8, BLOCK 260 OF MAP NO. 1, BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, WHICH LIES WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:
COMMENCING AT A POINT ON THE NORTHERLY LINE OF SAID LOT 2, SAID POINT BEARS NORTH 89°34'31" WEST 369.97 FEET ALONG SAID NORTHERLY LINE OF LOT 2 FROM THE NORTHEAST CORNER OF SAID LOT 2; THENCE SOUTH 00°26'28" WEST 419.53 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89°33'32" EAST 559.85 FEET; THENCE SOUTH 35°07'47" EAST 163.67 FEET TO A LINE PARALLEL WITH AND 285.00 FEET EASTERLY, MEASURED AT RIGHT ANGLES FROM THE WESTERLY LINES OF SAID LOTS 1 AND 8; THENCE ALONG SAID PARALLEL LINE SOUTH 00°25'53" WEST 767.30 FEET TO THE CENTERLINE OF CACTUS AVENUE; THENCE ALONG SAID CENTERLINE NORTH 89°35'02" WEST 655.20 FEET TO A LINE THAT BEARS SOUTH 00°26'28" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 00°26'28" EAST 900.71 FEET TO THE POINT OF BEGINNING.

EXCLUDING THAT PORTION LYING WITHIN CACTUS AVENUE.

PARCEL 9/PORTION OF APN# 297-170-020:


EXCLUDING THAT PORTION LYING WITHIN BRODIAEA AVENUE.

NOTE: THESE DESCRIPTIONS HAVE BEEN PREPARED FOR ASSESSMENT PURPOSES ONLY AND SHOULD NOT BE USED FOR CONVEYANCE OF TITLE.